

New Issue Book Entry Form Only

Rating: Moody's: "A2" (Underlying)
Standard & Poor's: "A" (Underlying),
BAM Insured "AA" (Stable Outlook)
 (See "RATINGS" and "INSURANCE" herein)

In the opinion of Bricker & Eckler LLP, Bond Counsel, under existing law, (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the 2015 Bonds paid from the interest portion of the Base Rent is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the 2015 Bonds paid from the interest portion of the Base Rent and any profit made on the sale, exchange or other disposition of the 2015 Bonds is exempt from taxes levied by the State of Ohio and its political subdivisions. The School District has not designated the Lease as a "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. The interest on the 2015 Bonds paid from the interest portion of Base Rent may be subject to certain federal income taxes imposed on certain corporations, and certain taxpayers may have certain other adverse federal income tax consequences as a result of owning the 2015 Bonds. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.

\$99,255,000

CLERMONT COUNTY PORT AUTHORITY
LEASE REVENUE BONDS
(West Clermont Local School District Project), Series 2015

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

Interest on the 2015 Bonds (the "2015 Bonds") is payable on June 1 and December 1 of each year, commencing December 1, 2015. The 2015 Bonds are deliverable as fully registered Bonds without coupons in denominations of \$5,000 and any integral multiple of \$5,000. Principal of and any premium on the 2015 Bonds is payable to the registered owners (as shown on the register on the 15th day of the month preceding the payment date) by check, draft or wire sent by the Trustee.

The 2015 Bonds are subject to redemption at the times, at the prices, and in the manner described herein.

The 2015 Bonds constitute special, limited obligations of the Clermont County Port Authority (the "Port" or the "Lessor"), payable solely from the Pledged Revenues (as defined herein) pursuant to a Trust Indenture dated as of October 1, 2015 between the Port and the U.S. Bank National Association, Cincinnati, Ohio (the "Trustee"). The proceeds from the 2015 Bonds will be used finance the acquisition, construction, improvement, furnishing, and equipping of school facilities (see "THE PROJECT – Description of the Project").

The 2015 Bonds are payable primarily from Base Rent to be paid by the West Clermont Local School District (the "School District") to the Trustee as assignee of all rights of the Lessor as lessor under the Lease, dated as of October 1, 2015 between the School District and the Lessor. Neither the School District nor the State of Ohio is a party to the 2015 Bonds.

The scheduled payment of principal of and interest on the 2015 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the 2015 Bonds by Build America Mutual Assurance Company ("BAM").



As described herein, the 2015 Bonds will be initially issued as fully registered bonds in book entry form, registered initially in the name of the Depository Trust Company or its nominee ("DTC"). There will be no distribution of the 2015 Bonds to owners of book entry interests. DTC will receive all payments with respect to the 2015 Bonds from the Trustee. DTC is required by its rules and procedures to remit such payments to participants in DTC for subsequent disbursement to the owners of book entry interests.

The current term of the Lease expires on June 30, 2016, and renewals are subject to appropriations by the Board of Education. Upon the appropriation of sufficient funds to pay Base Rent during each renewal period and certification of sufficiency of those appropriations, the Lease will be renewed by the School District for successive renewal periods, each of one year or less, through December 31, 2053. The School District is not legally bound to make appropriations in the future to renew the Lease. If the Lease is renewed through December 31, 2053, the aggregate of Base Rent is designed to be sufficient in both time and amount to pay when due the principal of and interest on the 2015 Bonds payable from those sources.

RENEWALS OF THE LEASE AND THE OBLIGATION OF THE SCHOOL DISTRICT TO MAKE BASE RENT PAYMENTS AFTER JUNE 30, 2016 ARE SUBJECT TO AND DEPENDENT UPON LAWFUL APPROPRIATIONS BEING MADE FOR THAT PURPOSE AND CERTIFICATION OF THE SUFFICIENCY OF THOSE APPROPRIATIONS. THE 2015 BONDS, THE LEASE AND THE OBLIGATION TO MAKE BASE RENT PAYMENTS DO NOT REPRESENT OR CONSTITUTE A DEBT OF, OR A PLEDGE OF THE FAITH AND CREDIT OF, THE SCHOOL DISTRICT OR THE PORT. NEITHER THE GENERAL CREDIT NOR THE TAXING POWER OF THE PORT OR THE SCHOOL DISTRICT IS PLEDGED TO PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE 2015 BONDS.

The 2015 Bonds are offered when, as and if executed and delivered by the Trustee and received by the Underwriter, subject to prior sale, and to the approval of legality by Bricker and Eckler LLP, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriter by their Counsel, Frost Brown Todd LLC, Columbus, Ohio. Certain legal matters will be passed upon for the Port by the legal counsel, Kegler Brown Hill + Ritter Co. LPA, Columbus, Ohio. It is expected that the 2015 Bonds in definitive form will be available for delivery to the Underwriter in Cincinnati, Ohio on or about October 1, 2015.

THIS OFFICIAL STATEMENT HAS BEEN PREPARED BY THE PORT IN CONNECTION WITH THE ORIGINAL OFFERING FOR SALE OF THE BONDS. 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.



\$99,255,000
CLERMONT COUNTY PORT AUTHORITY
LEASE REVENUE BONDS
(West Clermont Local School District Project), Series 2015

PRINCIPAL MATURITY SCHEDULE

SERIAL 2015 BONDS

Year (December 1)	Principal Maturing	Interest Rate	Price	CUSIP ⁺
2019	\$500,000	5.000%	113.390%	18571Q AA1
2020	750,000	5.000	114.865	18571Q AB9
2021	1,370,000	2.000	98.283	18571Q AC7
2022	1,400,000	2.250	98.238	18571Q AD5
2023	1,430,000	5.000	116.831	18571Q AE3
2024	1,500,000	5.000	117.321	18571Q AF0
2025	1,575,000	5.000	117.409	18571Q AG8
2026	1,655,000	5.000	115.794	18571Q AH6
2027	1,740,000	5.000	114.763	18571Q AJ2
2028	1,825,000	5.000	113.743	18571Q AK9
2029	1,920,000	5.000	113.191	18571Q AL7
2030	2,015,000	5.000	112.461	18571Q AM5
2031	2,115,000	5.000	111.826	18571Q AN3
2032	2,225,000	5.000	111.106	18571Q AP8
2033	2,335,000	5.000	110.659	18571Q AQ6
2034	2,455,000	5.000	110.480	18571Q AR4
2035	2,575,000	5.000	110.125	18571Q AS2

\$14,660,000
4.000% TERM 2015 BONDS MATURING DECEMBER 1, 2040
PRICE 97.361%, CUSIP 18571Q AT0 ⁺

\$17,860,000
4.000% TERM 2015 BONDS MATURING DECEMBER 1, 2045
PRICE 95.767%, CUSIP 18571Q AU7 ⁺

\$37,350,000
4.250% TERM 2015 BONDS MATURING DECEMBER 1, 2053
PRICE 95.455%, CUSIP 18571Q AW3 ⁺

⁺ The Port and the School District are not responsible for the use of the CUSIP numbers referenced herein nor is any representation made by the Port or the School District as to their correctness; such CUSIP numbers are included solely for the convenience of the readers of the Official Statement.

\$99,255,000
CLERMONT COUNTY PORT AUTHORITY
LEASE REVENUE BONDS
(West Clermont Local School District Project), Series 2015

CLERMONT COUNTY PORT AUTHORITY
Board of Directors

Matt Van Sant	Chris Hamm	Greg Simpson
Andrew T. Kuchta		Jennifer Fischer

Andrew T. Kuchta, Executive Director

WEST CLERMONT LOCAL SCHOOL DISTRICT
Board of Education

Tina Sanborn	John Bantjes	James Lewis
Tammy Brinkman		Steve Waldmann

PROFESSIONAL SERVICES

Fifth Third Securities, Inc.
Underwriter

Frost Brown Todd LLC
Underwriter's Counsel

Bricker and Eckler LLP
Bond Counsel

Kegler Brown Hill + Ritter Co. LPA
Counsel to the Port Authority

Build America Mutual Assurance Company
Insurer

U.S. Bank National Association, Cincinnati, Ohio
Trustee

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REGARDING THIS OFFICIAL STATEMENT

This Official Statement has been prepared by the Clermont County Port Authority (the “Port”) and West Clermont Local School District, Clermont County, Ohio (the “School District”) in connection with the original issuance and sale of the 2015 Bonds identified on the cover hereof (the “2015 Bonds”). This Official Statement does not constitute an offering of any security other than the original offering of the 2015 Bonds issued by the Port. No dealer, broker, salesman or other person has been authorized by the Port or the School District 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 foregoing. 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 2015 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 Port or the School District since the date hereof.

Upon issuance, the 2015 Bonds will not be registered by the Port 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 2015 Bonds for sale.

The information set forth herein has been obtained from the School District, public documents, records and other sources that are deemed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Port. 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. The presentation of information, including tables of receipts from taxes and other sources as further described in the appendices attached hereto, 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 School District. 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 Port preliminary to the sale of the 2015 Bonds should be regarded as part of the Port's contract with the underwriter or the holders from time to time of the 2015 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.

Build America Mutual Assurance Company (“BAM”) makes no representation regarding the 2015 Bonds or the advisability of investing in the 2015 Bonds. In addition, BAM 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 BAM, supplied by BAM and presented under the heading “Bond Insurance” and “Appendix J - Specimen Municipal Bond Insurance Policy”.

References herein to provisions of Ohio law, whether codified in the Ohio Revised Code (the “Revised Code”) or uncoded, or to the provisions of the Ohio Constitution or the Board of Education's resolution, 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 Board of Education of West Clermont Local School District; and “State” or “Ohio” means the State of Ohio.

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INTRODUCTION

This Official Statement is provided to furnish information with respect to the original sale and delivery of not to exceed \$99,255,000 aggregate principal amount of Lease Revenue Bonds (West Clermont Local School District Project), Series 2015 to be issued by the Clermont County Port Authority (the "Port"). Terms used herein in the initial capitalization without definition have the meanings given them in the Master Definition List (see "MASTER DEFINITION LIST AND SUMMARY OF PRINCIPAL DOCUMENTS" in APPENDIX E attached hereto).

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, the 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 2015 Bonds to potential investors is made only by means of the entire Official Statement.

THE 2015 BONDS AND INTEREST THEREON ARE SPECIAL, LIMITED OBLIGATIONS OF THE PORT PAYABLE SOLELY FROM THE PLEDGED REVENUES AND THE SPECIAL FUNDS HELD BY THE TRUSTEE AND DO NOT CONSTITUTE A GENERAL OBLIGATION OR A GENERAL INDEBTEDNESS OF THE PORT, THE SCHOOL DISTRICT, THE TOWNSHIP OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE PORT, THE SCHOOL DISTRICT, THE TOWNSHIP, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT ON THE 2015 BONDS.

The 2015 Bonds involve a certain degree of risk. Prospective purchasers should carefully evaluate the risks and merits of an investment in the 2015 Bonds and confer with their own legal and financial advisors. See "INVESTMENT CONSIDERATIONS."

Certain general information about the School District and financial information related to the School District is attached hereto as APPENDIX A and APPENDIX B. The School District's five year projections, dated as of July 16, 2015, are attached hereto as APPENDIX C. The form of opinion of Bond Counsel to be delivered at the closing is attached hereto as APPENDIX D. The Master Definition List and summaries of the Trust Indenture, the Lease and the Ground Lease are attached hereto as APPENDIX D. Certain projections related to the School District TIF Revenues (as hereafter defined) and the inside millage allocated for permanent improvement purposes, which are subject to annual appropriation by the School District, are attached hereto as APPENDIX G. The Cooperative Agreement is attached hereto as APPENDIX H. All references herein to any other documents or agreements, including without limitation those attached hereto as Appendices, are qualified in their entirety by reference to the final definitive forms of such documents executed and delivered at the closing of the 2015 Bonds, copies of which may be viewed at the offices of, and will be provided to prospective purchasers upon request to: Andrew J. Brossart, Fifth Third Securities, Inc., 38 Fountain Square Plaza, MD 10903B, Cincinnati, Ohio 45202, (513) 534-5961, andrew.brossart@53.com.

The Port

The 2015 Bonds are being issued by the Port, which was formed by the County of Clermont, Ohio (the "County"), which has a mailing address of 2379 Clermont Center Drive, Batavia, OH 45103 and is a port authority and a body corporate and politic duly organized and created pursuant to the laws of the State of Ohio, with full lawful power and authority to issue revenue obligations to pay costs of "port authority facilities" under and pursuant to the Constitution and laws of the State of Ohio, including

Chapter 4582, Ohio Revised Code, as amended (the “Act”). For further information concerning the Port Authority, see “THE PORT AND THE SCHOOL DISTRICT – The Port” herein.

THE PORT HAS NOT SUPPLIED OR APPROVED, AND HAS NOT ASSUMED ANY RESPONSIBILITY FOR, AND MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO, THE ACCURACY OR COMPLETENESS OF THE INFORMATION IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO.

The School District

The School District is located in the County of Clermont in southwestern Ohio and has a mailing address of 4350 Aicholtz Road, Cincinnati, Ohio 45245. The School District intends to enter into a lease purchase financing program (as further described herein) under Ohio Revised Code Section 3313.37 and Ohio Revised Code Section 4582.38 with the Port to provide for the payment of principal and interest on the 2015 Bonds. The School District plans to acquire, construct, improve, furnish, and equip the Project with the proceeds of the 2015 Bonds, as further described herein.

Security and Sources of Payment for the 2015 Bonds

The School District will lease the Project Site to the Port pursuant to a ground lease dated as of October 1, 2015 (the “Ground Lease”). The School District and the Port will then enter into a Lease Agreement dated as of October 1, 2015 (the “Lease”) pursuant to which the Port (the “Lessor”) will lease the Project Site to the School District (the “Lessee”) in consideration for the School District's agreement to construct, improve, furnish, and equip the project facilities as agent of the Lessor, and make payment, subject to annual appropriation, of the Base Rent and certain Additional Rents described therein (collectively, the “Lease Payments”).

The Base Rent scheduled to be paid by the School District under the Lease, including amounts available from the proceeds of the 2015 Bonds and certain of the income earned from the temporary investment of funds held by the Trustee under the Trust Indenture that will be credited as Base Rent payments, is designed to be sufficient in both time and amount to pay when due the principal of and interest on the 2015 Bonds (the “Bond Payments”).

The sources of payment of the 2015 Bonds are the Pledged Revenues, which include (i) Base Rent paid by the School District under the Lease, (ii) amounts held by the Trustee in the Bond Fund and the Bond Reserve Fund, if any, and (iii) all income and profit from the investment of the foregoing moneys. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2015 BONDS” herein.

Bond Insurance

The 2015 Bonds will be guaranteed by a municipal insurance policy provided by BAM to be issued on the date of delivery of the 2015 Bonds, securing the payment, when due, of the principal of and interest on the 2015 Bonds. (See “BOND INSURANCE” herein and APPENDIX I attached hereto.)

Purpose of the 2015 Bonds

The 2015 Bonds are being issued for the purpose of (a) financing the costs of acquiring and constructing the Project, and (b) financing costs of issuance of the 2015 Bonds (see “ESTIMATED SOURCES AND USES OF FUNDS” herein).

Description of the 2015 Bonds

The 2015 Bonds are subject to optional and mandatory redemption prior to their stated maturity date as further described herein in “THE 2015 BONDS – Mandatory Redemption and Optional Redemption”.

The 2015 Bonds will be issued in denominations of \$5,000 or integral multiples thereof.

The 2015 Bonds will be fully registered and may be transferred or exchanged by the registered owner, upon its surrender at the designated office of the Registrar together with an assignment or request for exchange duly executed by the registered owner or his duly authorized attorney in such form as is satisfactory to the Registrar.

No charge will be made for transfer or exchange of any 2015 Bond, but the Port and the Registrar may charge the Bond holder for any tax, excise or governmental charge required to be paid with respect to the transfer or exchange. Neither the Port nor the Registrar shall be required to make any transfer or exchange during the 15 days preceding maturity or redemption of the 2015 Bonds.

Principal is payable to the registered owner upon presentation and surrender at the principal corporate trust office of the Trustee. Interest will be payable by check or draft mailed by the Trustee to the registered owner on each Interest Payment Date.

Book- Entry-Only System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the 2015 Bonds. The 2015 Bonds will be issued as fully-registered securities registered in the name of CEDE & CO. (DTC’s partnership nominee).

The 2015 Bonds will be issuable under a book-entry system, registered in the name of DTC or its nominee. There will be no distribution of 2015 Bonds to the ultimate purchasers (see “BOOK-ENTRY-ONLY SYSTEM” herein).

Authority for Issuance

The 2015 Bonds are being issued pursuant to the general laws of the State, specifically Ohio Revised Code Sections 4582.21 through 4582.29 (the “Act”), a resolution of the Board of Directors (the “Board”) of the Port duly passed on September 2, 2015 (the “Authorizing Resolution”), and the Trust Indenture.

The School District has, pursuant to a resolution adopted by the Board of Education on September 1, 2015 (the “School District Resolution”) authorized the School District to enter into the Lease, the Ground Lease and certain other documents for the purpose of financing the acquisition, construction, improvement, furnishing, and equipping of school facilities owned by the School District.

THE PROJECT

Description of the Project

The proceeds of the 2015 Bonds will be used to fund the Project, which will include the construction, renovations, modernization and improvement of school facilities, including equipment, furniture and site improvements, all of which constitute “port authority facilities” to be used for “authorized purposes” under the Act. Specifically, the Project will consist of the acquisition, construction, improvement, furnishing, and equipping of a new high school for the School District.

ESTIMATED SOURCES AND USES OF FUNDS

The aggregate proceeds to be received from the sale of the 2015 Bonds and certain income estimated to be received from the investment of the Trust Funds held by the Trustee under the Trust Indenture are to be applied as follows:

Sources of Funds

Par Amount of 2015 Bonds	\$99,255,000.00
Premium	602,039.75
Total	\$99,857,039.75

Uses of Funds

Project Fund Deposit	\$98,000,000.00
Municipal Bond Insurance Premium	374,343.00
Surety Policy to Fund Bond Reserve Fund	98,151.38
Underwriter's Discount and Costs of Issuance ^(a)	1,384,545.37
Total	\$99,857,039.75

(a) Includes Trustee fees, Bond Counsel fees, underwriter's counsel fees, fees of the Port and the Port's counsel, printing costs and contingency.

THE 2015 BONDS

General Terms

The 2015 Bonds are issued in fully registered form under a book entry only method with the Depository Trust Company, ("DTC") as a securities depository. The 2015 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 2015 Bonds are payable upon presentation by the registered owners thereof at the office of U.S. Bank National Association, Cincinnati, Ohio, as paying agent, registrar and transfer agent for the 2015 Bonds (the "Paying Agent and Registrar"). Semiannual interest on the 2015 Bonds is payable each June 1 and December 1, commencing December 1, 2015, 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 registrar on the 15th day of the month preceding such interest payment date; provided that, so long as the 2015 Bonds remain in book entry form with DTC, the Paying Agent and Registrar will make payment for such 2015 Bonds by wire transfer of funds on each interest payment date.

Registration, Payment and Transfer - Book Entry Method

The 2015 Bond Owners of book entry interests in the 2015 Bonds will not receive or have the right to receive physical delivery of the 2015 Bonds and will not be or be considered to be, and will not have any rights as, registered owners ("Holders") of 2015 Bonds.

The following information on the Book Entry Only System applicable to the 2015 Bonds has been supplied by The Depository Trust Company, New York, New York, and none of the Port, the Board of Education, the Underwriter or Bond Counsel make any representations, warranties or guarantees with respect to its accuracy or completeness.

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the 2015 Bonds. The 2015 Bonds will be issued as fully-registered Bonds 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 for each maturity will be issued in the aggregate principal amount of the 2015 Bonds, and will be deposited with DTC.

2. 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 Bonds. 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 a Standard & Poor's 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.

3. Purchases of 2015 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2015 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 transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2015 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 Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the 2015 Bonds is discontinued.

4. To facilitate subsequent transfers, all 2015 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 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 2015 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.

5. 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. Beneficial Owners of Bonds may wish to take certain

steps to augment the transmission to them of notices of significant events with respect to the 2015 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2015 Bond documents. For example, Beneficial Owners of 2015 Bonds may wish to ascertain that the nominee holding the 2015 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the 2015 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.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Port 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 2015 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the 2015 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 Port 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 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, Agent, or Port, 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 Port or Agent, 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.

9. A Beneficial Owner shall give notice to elect to have its 2015 Bonds purchased or tendered, through its Participant, to the Agent, and shall effect delivery of such 2015 Bonds by causing the Direct Participant to transfer the Participant's interest in the 2015 Bonds, on DTC's records, to the Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the 2015 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered 2015 Bonds to the Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the 2015 Bonds at any time by giving reasonable notice to Port or Agent. Under such circumstances, in the event that a successor depository is not obtained, 2015 Bonds are required to be printed and delivered.

11. Port may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2015 Bonds will be printed and delivered to DTC.

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

Disclaimer by the Underwriter

The Underwriter 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.

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 2015 Bonds, and assuming continuing compliance with certain covenants made by the Board of Education, interest on the 2015 Bonds paid from the interest portion of the Base Rent is excludable from gross income for federal income tax purposes upon the conditions and subject to the limitations set forth herein under "TAX MATTERS." Interest on the 2015 Bonds paid from the interest portion of the Base Rent held by corporations is includable in the computation of such corporations' adjusted current earnings and modified alternative minimum taxable income. Receipt of interest on the 2015 Bonds paid from the interest portion of the Base Rent may result in other federal income tax consequences to certain holders of the 2015 Bonds.

See APPENDIX D hereto for the form of the opinion Bond Counsel proposes to deliver in connection with the issuance of the 2015 Bonds.

Mandatory Redemption

The 2015 Bonds maturing on or after December 1, 2040 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

<u>Mandatory Redemption Date</u>	<u>Mandatory Sinking Fund Requirements</u>
2036	\$2,705,000
2037	2,815,000
2038	2,925,000
2039	3,045,000

The remaining principal amount of such Bonds (\$3,170,000) will, unless previously redeemed, mature at stated maturity on December 1, 2040.

The 2015 Bonds maturing on or after December 1, 2045 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

<u>Mandatory Redemption Date</u>	<u>Mandatory Sinking Fund Requirements</u>
2041	\$3,295,000
2042	3,430,000
2043	3,565,000
2044	3,710,000

The remaining principal amount of such Bonds (\$3,860,000) will, unless previously redeemed, mature at stated maturity on December 1, 2045.

The 2015 Bonds maturing on or after December 1, 2053 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

<u>Mandatory Redemption Date</u>	<u>Mandatory Sinking Fund Requirements</u>
2046	\$4,015,000
2047	4,185,000
2048	4,365,000
2049	4,550,000
2050	4,745,000
2051	4,950,000
2052	5,160,000

The remaining principal amount of such Bonds (\$5,380,000) will, unless previously redeemed, mature at stated maturity on December 1, 2053.

Optional Redemption

The 2015 Bonds maturing after December 1, 2025 are subject to redemption, in whole or in part on any date in any order of maturity, and by lot within a maturity at the option of the Port at the request and expense of the School District on and after December 1, 2025 at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the date fixed for redemption.

Redemption Procedure

Notice of any such redemption shall be given by the Trustee on behalf of the Port by mailing a copy of an official redemption notice by first class mail, postage prepaid, or by sending a confirmed facsimile, at least 30 days prior to the date fixed for redemption to the registered owner of the Bond or Bonds at the address shown on the Bond Register on the fifteenth day preceding that mailing specifying the date fixed for redemption, the redemption price to be paid, and the place where such Bonds are to be surrendered for payment of the redemption price. Failure to receive notice by mailing or any defect in that notice regarding any Bond, however, shall not affect the validity of the proceedings for the redemption of any Bond. Notice having been mailed in the manner provided above, the 2015 Bonds called for redemption will become due and payable on the redemption date and on such redemption date, interest on such Bonds so called shall cease to accrue; and upon presentation and surrender of such Bonds at the place or places specified in that notice, such Bonds will be paid at the redemption price, including interest accrued to the redemption date.

So long as the 2015 Bonds are in book entry form, any notice of redemption will be sent by registered mail, certified mail or overnight delivery service, in each case with return receipt requested. Any failure of the DTC (or any successor securities depository) to notify any participant of DTC, or of any such participant to notify the book entry interest owner (under the book entry system) of any such notice, will not affect the validity of the respective redemption of the 2015 Bonds.

THE PORT AND THE SCHOOL DISTRICT

The Port

The 2015 Bonds are authorized and issued by the Port on behalf of the School District under the provisions of the Constitution and statutes of the State of Ohio, particularly the Act, and pursuant to a resolution adopted by the Board of Directors of the Port on September 2, 2015.

The 2015 Bonds are special limited obligations of the Port that are not general obligations, general debt or general bonded indebtedness of the Port or the State of Ohio or any political subdivision thereof, and no bondholder has the right to have excises or taxes levied by the Port or by the State of Ohio or any political subdivision thereof for the payment of the principal, interest and premium, if any, on the 2015 Bonds. The right of the Owners of the 2015 Bonds to receive payment is limited to the Pledged Revenues and amounts on deposit in the Bond Reserve Fund, if any.

The School District

The School District plans to acquire, construct, improve, furnish, and equip the Project with the proceeds of the 2015 Bonds.

With over 8,000 students and approximately 810 regular employees, the School District is one of the largest school districts in the greater Cincinnati area and the largest district in Clermont County. This suburban district is on the edge of Interstate 275, which is the circular freeway that surrounds the City of Cincinnati. Its proximity to Cincinnati and the freeway makes it desirable for industrial and retail developers.

The School District has had consistent enrollment of over 8,000 students per year since 2004. Students are educated in 12 buildings: eight elementary schools, two middle school buildings and two high school buildings. The School District offers a comprehensive curriculum through programs such as advanced placement courses, gifted education, college preparatory course, vocational programs, special education and general studies.

Please see APPENDIX A –“Information Concerning West Clermont Local School District” and APPENDIX B “Audited Financial Statements for School District for Fiscal Year Ended June 30, 2014” for more information about the School District.

SECURITY FOR AND SOURCES OF PAYMENT OF THE 2015 BONDS

Security and Sources of Payment

The sources of payment of the 2015 Bonds are the Pledged Revenues, which include (i) Base Rent paid by the School District under the Lease, (ii) amounts held by the Trustee in the Bond Fund and the Bond Reserve Fund, if any, and (iii) all income and profit from the investment of the foregoing moneys.

School District TIF Revenues and School District Inside Millage

While all general fund revenues of the School District will be available to pay the Base Rent due under the Lease, it is expected that the Base Rent will primarily be paid from the School District TIF Revenues (as defined below) and a portion of the School District's inside millage allocated for permanent improvement purposes. Please see APPENDIX G attached hereto for financial projections of the School District TIF Revenues and the inside millage allocated for permanent improvement purposes.

Pursuant to a Cooperative Agreement dated as of January 5, 2015 (the “Cooperative Agreement” attached hereto as APPENDIX H), by and among the Board of Trustees of Union Township (“Union Township”), the School District and the Union Township Clermont County Community Improvement Corporation, Inc. (the “CIC”), the Township agreed to establish a 30 year Tax Increment Financing (TIF) area to promote economic development and assist in the funding of the Project. In connection with the establishment of the TIF area (as set forth in Resolution No. 2015-15 and Resolution No. 2015-16 passed by the Township (the “TIF Resolutions”)), the School District and the Township have entered into two Tax Incentive Agreements, both dated as of June 15, 2015, under which the School District is to receive compensation from the TIF Area which will comprise the “School District TIF Revenues.” The TIF Resolutions grant an exemption on the property described therein and attached hereto as APPENDIX I through tax year 2045, collection year 2046. The Township intends to enter into a Service Agreement with a developer of the Commercial Development (as hereafter defined, see “THE COMMERCIAL DEVELOPMENT” herein) which will further set forth the payment of service payments.

In addition, in 2010, the School District allocated 4.2 mills of “inside millage” for permanent improvement purposes. It is expected that a portion of this inside millage allocation for permanent improvement purposes will be utilized for a payment of a portion of the Base Rent.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE PORT, THE SCHOOL DISTRICT, THE TOWNSHIP OR THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS IS PLEDGED TO THE PAYMENT OF THE 2015 BONDS. THE 2015 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION, GENERAL DEBT OR GENERAL BONDED INDEBTEDNESS OF THE PORT, THE TOWNSHIP, THE COUNTY, OR THE STATE, OR ANY OF ITS POLITICAL SUBDIVISIONS.

THE 2015 BONDS INVOLVE A CERTAIN DEGREE OF RISK AND MAY NOT BE A SUITABLE INVESTMENT FOR ALL PERSONS. PROSPECTIVE PURCHASERS SHOULD CAREFULLY EVALUATE THE RISKS AND MERITS OF AN INVESTMENT IN THE 2015 BONDS, CONFER WITH THEIR OWN LEGAL AND FINANCIAL ADVISORS. SEE “INVESTMENT CONSIDERATIONS.”

The Lease, Ground Lease and Assignment

In order to finance the Project, which is located on real property owned by the School District and more particularly described in the Lease (the “Project Site”), the School District will lease the Project Site to the Port pursuant to a ground lease dated as of October 1, 2015 (the “Ground Lease”). In addition, pursuant to the request of the BAM, as the bond insurer for the 2015 Bonds, the School District has agreed to provide a ground lease in the property on which the School District’s two existing high schools are located on during the term of construction of the Project, under the Ground Lease.

The School District and the Port will then enter into a Lease Agreement dated as of October 1, 2015 (the “Lease”) pursuant to which the Port (the “Lessor”) will lease the Project Site to the School District (the “Lessee”) in consideration for the School District’s agreement to construct, improve, furnish, and equip the project facilities as agent of the Lessor, and make payment of the Base Rent and certain Additional Rents described therein (collectively, the “Lease Payments”).

By the Assignment of Lease dated as of October 1, 2015 (the “Assignment”), the Lessor assigned to the Trustee all of its rights, title and interests under the Ground Lease, the Lease (including rights to Base Rent) and in the Project to the Trustee for the benefit of the Owners of the 2015 Bonds. By the Trust Indenture dated as of October 1, 2015 (the “Trust Indenture”), the Lessor transferred certain rights in the Project to the Trustee and provided for receipt and disbursement of Lease Payments. The Lessor is

not financially liable for the Lease Payments, and Owners of the 2015 Bonds will have no right to look to the Lessor for payment of the 2015 Bonds.

The Base Rent scheduled to be paid by the School District under the Lease, including amounts available from the proceeds of the 2015 Bonds and certain of the income earned from the temporary investment of funds held by the Trustee under the Trust Indenture that will be credited as Base Rent payments, is designed to be sufficient in both time and amount to pay when due the principal of and interest on the 2015 Bonds (the "Bond Payments").

By the Assignment, the Lessor has assigned its right to receive Base Rent to the Trustee for the benefit of the Owners of the 2015 Bonds.

As discussed in APPENDIX E – "MASTER DEFINITION LIST AND SUMMARY OF PRINCIPAL DOCUMENTS – The Lease," the renewal of the Lease and the obligation of the School District to make Base Rent payments, the primary source of payment of the 2015 Bonds, after June 30, 2016 is subject to and dependent upon lawful appropriations being made for that purpose by the Board of Education of the School District and certification of the sufficiency of the appropriations by the School District's fiscal officer.

The 2015 Bonds, the Lease and the obligation to make Base Rent payments do not represent or constitute bonded indebtedness, a debt of, or a general obligation of, the Port, the School District, the State of Ohio, or any political subdivision thereof.

IF THE SCHOOL DISTRICT SHOULD FAIL TO APPROPRIATE FUNDS FOR ANY RENEWAL LEASE TERM, OR THE LEASE SHOULD TERMINATE FOR ANY OTHER REASON, AND PAYMENTS ON THE 2015 BONDS THEREAFTER BE MADE FROM SOURCES OTHER THAN THE INTEREST PORTION OF THE BASE RENT, THE INTEREST RECEIVED BY 2015 BOND HOLDERS MAY BE SUBJECT TO FEDERAL INCOME TAXES AND CERTAIN TAXES IN OHIO, SEE "TAX MATTERS" HEREIN.

If at the end of any lease term the School District has not exercised its right of renewal, or the Lease is not reinstated within 30 days after the end of such Lease Term, as discussed below, the Lease will be deemed terminated without penalty to or further obligations to make Lease Payments of the School District. Upon such termination, or in the event of any failure to make any Lease Payments under the Lease, the primary security for and source of payment of the 2015 Bonds is the Trustee's right to exercise all rights and remedies as to the Project, including the right to evict the School District as tenant and relet the Project. In any such event, the 2015 Bond owners may look only to the moneys, if any, then in the Trust Funds held by the Trustee under the Trust Indenture, and the proceeds of any reletting of the Project by the Trustee.

Due to the specialized design of the Project Facilities, it may be difficult for the Trustee to relet the Project and, even if the Project is relet, the amount derived from such reletting may be insufficient to pay all principal of and interest on the 2015 Bonds outstanding at the time of any such event. No assurance is given that the proceeds of any such reletting of the Project by the Trustee, together with any moneys then remaining in the Trust Funds, will be sufficient to pay all principal of and accrued interest on the 2015 Bonds outstanding at the time.

Furthermore, unless the Project is leased to a state or a political subdivision of the United States and in compliance with federal income tax laws and regulations, the interest on the 2015 Bonds paid from the interest component of the Base Rent may no longer be excluded from gross income for purposes of federal income taxation.

Lease Term; Lease Renewal Periods and Non-Appropriation

The initial term of the Lease commenced as of October 1, 2015 and the current renewal will terminate on June 30, 2016. The Lease provides for thirty-eight (38) Renewal Periods. The initial term of the Lease and each Renewal Period during which the Lease is in force, including any Renewal Period of less than one year, is referred to, individually and not collectively, as the Lease Term.

The Lease provisions for Renewal Periods are consistent with the provisions of the Ohio law that no School District appropriation may be made for a period longer than one fiscal year. The School District operates on the basis of a July 1 to June 30 fiscal year for its appropriations and expenditures.

The following are the Lease Terms:

Lease Term	Commencement Date	Termination Date
Initial Term	October 1, 2015	June 30, 2016
Renewal Period I	July 1, 2016	June 30, 2017
Renewal Period II	July 1, 2017	June 30, 2018
Renewal Period III	July 1, 2018	June 30, 2019
Renewal Period IV	July 1, 2019	June 30, 2020
Renewal Period V	July 1, 2020	June 30, 2021
Renewal Period VI	July 1, 2021	June 30, 2022
Renewal Period VII	July 1, 2022	June 30, 2023
Renewal Period VIII	July 1, 2023	June 30, 2024
Renewal Period IX	July 1, 2024	June 30, 2025
Renewal Period X	July 1, 2025	June 30, 2026
Renewal Period XI	July 1, 2026	June 30, 2027
Renewal Period XII	July 1, 2027	June 30, 2028
Renewal Period XIII	July 1, 2028	June 30, 2029
Renewal Period XIV	July 1, 2029	June 30, 2030
Renewal Period XV	July 1, 2030	June 30, 2031
Renewal Period XVI	July 1, 2031	June 30, 2032
Renewal Period XVII	July 1, 2032	June 30, 2033
Renewal Period XVIII	July 1, 2033	June 30, 2034
Renewal Period XIX	July 1, 2034	June 30, 2035
Renewal Period XX	July 1, 2035	June 30, 2036
Renewal Period XXI	July 1, 2036	June 30, 2037
Renewal Period XXII	July 1, 2037	June 30, 2038
Renewal Period XXIII	July 1, 2038	June 30, 2039
Renewal Period XXIV	July 1, 2039	June 30, 2040
Renewal Period XXV	July 1, 2040	June 30, 2041
Renewal Period XXVI	July 1, 2041	June 30, 2042
Renewal Period XXVII	July 1, 2042	June 30, 2043
Renewal Period XXVIII	July 1, 2043	June 30, 2044
Renewal Period XXIX	July 1, 2044	June 30, 2045
Renewal Period XXX	July 1, 2045	June 30, 2046
Renewal Period XXXI	July 1, 2046	June 30, 2047
Renewal Period XXXII	July 1, 2047	June 30, 2048
Renewal Period XXXIII	July 1, 2048	June 30, 2049
Renewal Period XXXIV	July 1, 2049	June 30, 2050
Renewal Period XXXV	July 1, 2050	June 30, 2051
Renewal Period XXXVI	July 1, 2051	June 30, 2052
Renewal Period XXXVII	July 1, 2052	June 30, 2053
Renewal Period XXXVIII	July 1, 2053	December 31, 2053

The School District will be deemed to have exercised its right of renewal for each Lease Term if, at or prior to the expiration of the then current Lease Term, there are lawfully appropriated by the Board of Education of the School District moneys sufficient to pay all Base Rent due under the Lease during the next Lease Term and the School District certifies the sufficiency of those appropriations by a Fiscal Certification. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE 2015 BONDS -- Certification of Appropriations." In the event that sufficient moneys are not so appropriated or the Fiscal Officer does not so certify, the Lease will terminate at the end of the then current Lease Term and the School District will have no further obligation to pay Base Rent.

The Lease will be renewable for a succession of Lease Terms of one year each if there are lawfully appropriated funds from which Base Rent can be paid for one or more such periods, certified as to sufficiency by Fiscal Certification. This provision of the Lease is intended to permit renewal for a Lease Term of a single year, consistent with the School District's budgetary process.

The School District represents in the Lease that the Project is essential to the proper, efficient and economic operation of the School District, and that it is the intent of the School District to make lease payments for all Lease Terms if funds are appropriated for that purpose. The recitals and covenants described in this paragraph and the Lease do not, however, create a pledge, lien or encumbrance on funds to be available to the School District, do not legally bind the School District or the Board of Education of the School District to provide or appropriate those funds, and do not represent or constitute an obligation of, or a pledge of the faith and credit of, the School District, the State, or any political subdivision thereof.

Certification of Appropriations

Under Ohio law, the School District must certify the availability of unobligated appropriated moneys as a condition to validity of each contract involving the expenditure of money. This is essentially a certification that the balance of appropriations not already obligated to pay existing obligations is sufficient to meet obligations under such contract. This certification requirement applies to each Lease Term, including reinstatements.

The School District will deliver to the Lessor, simultaneously with the execution of the Lease, a Fiscal Certification relating to the sufficiency of moneys to pay Base Rent due through June 30, 2016. The School District in the Lease agrees to deliver to the Lessor, prior to the commencement of each successive Lease Term, including any reinstatement for a Lease Term, a Fiscal Certification relating to Base Rent due during that Lease Term.

The Lease imposes a duty on the School District's fiscal officer to provide this Fiscal Certification if sufficient moneys are appropriated for that purpose.

A Fiscal Certification is also a condition to the effectiveness of the School District's obligation to pay Additional Rent and certain related obligations under the Lease. For example, under the Lease the School District must provide for maintenance and repair of the Project Facilities and for their repair or replacement in the event of damage or destruction (APPENDIX D -- "MASTER DEFINITION LIST AND SUMMARY OF PRINCIPAL DOCUMENTS -- The Lease -- Use, Maintenance and Alterations; Damage or Destruction"). Certain additional financial responsibilities of the School District may arise if the Lease is not renewed for a succeeding Lease Term and if an Event of Default occurs (see "APPENDIX E -- "MASTER DEFINITION LIST AND SUMMARY OF PRINCIPAL DOCUMENTS -- The Lease -- Event of Default"). By the express terms of the Lease, the School District will not be liable for these obligations unless there are lawfully appropriated sufficient moneys to pay the obligations payable during a Lease Term and the School District issues an applicable Fiscal Certification.

THE COMMERCIAL DEVELOPMENT

Overview of Development

The Township expects to continue to work to identify potential developers (the “Developer”) to construct a mixed-use development which includes residential and commercial components (the “Commercial Development”) on approximately 99 acres located within the School District. The Commercial Development, which is expected to be completed by 2020, is located within the TIF area and is expected to generate certain School District TIF Revenues as projected in APPENDIX G attached hereto.

NOTWITHSTANDING THE FOREGOING, THERE CAN BE NO ASSURANCE THAT THE DEVELOPMENT OF THE COMMERCIAL PROJECT WILL OCCUR. IN THE EVENT THAT NO SCHOOL DISTRICT TIF REVENUES ARE RECEIVED AND MADE AVAILABLE FOR PAYMENT OF BASE RENT, THE SCHOOL DISTRICT ANTICIPATES THAT MONEYS FROM THE GENERAL FUND AND THE PERMANENT IMPROVEMENT LEVY WILL BE SUFFICIENT TO PAY BASE RENT. THE PROJECTIONS IN APPENDIX G ATTACHED HERETO ASSUME THAT THE COMMERCIAL DEVELOPMENT WILL BE CONSTRUCTED. INVESTORS SHOULD CAREFULLY READ THE PROJECTIONS AND “INVESTMENT CONSIDERATIONS” HEREIN.

BOND INSURANCE

The following information has been furnished by BAM for inclusion in this Official Statement. The Port does not guarantee the accuracy or completeness of the information and such information is not to be construed as a representation by the Port.

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy for the 2015 Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of Bam is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds 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 Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2015 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$472.1 million, \$31.0 million and \$441.1 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM 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 BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights' videos are easily accessible on BAM's website at buildamerica.com/creditsights/.

Obligor Disclosure Briefs. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Obligor Disclosure Brief for those bonds. These pre-sale Obligor Disclosure Briefs provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Obligor Disclosure Briefs will be updated and superseded by a final Obligor Disclosure Brief to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Obligor Disclosure Briefs are easily accessible on BAM's website at buildamerica.com/obligor/. BAM

will produce an Obligor Disclosure Brief for all bonds insured by BAM, whether or not a pre-sale Obligor Disclosure Brief has been prepared for such bonds.

Disclaimers. The Obligor Disclosure Briefs and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Obligor Disclosure Briefs and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Obligor Disclosure Briefs and Credit Insight videos are prepared by Bam; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

INVESTMENT CONSIDERATIONS

An investment in the 2015 Bonds is subject to a number of significant risk factors. The following is a discussion of certain risks that could affect payments to be made with respect to the 2015 Bonds. Such discussion is not, and is not intended to be, exhaustive and should be read in conjunction with all other part of this Official Statement and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the 2015 Bonds should analyze carefully the information contained in the Official Statement, including the Appendices hereto, and additional information in the forms of the documents attached hereto, copies of which are available as described in this Official Statement.

General

The 2015 Bonds and the obligations of the Port under the Trust Indenture are special limited obligations of the Port to be paid and satisfied solely from the revenues and assets pledged therefor under the Trust Indenture.

The security for the 2015 Bonds to which the Trustee is limited to the Base Rent paid by the School District under the Lease and the amounts held by the Trustee in Special Funds (collectively, the Pledged Revenues). No representations or assurances can be made that the Pledged Revenues, as presently estimated or otherwise, will be realized by the Trustee on behalf of the Bond holders, or any other party, in amounts necessary to pay the principal of, premium, if any, and interest on the 2015 Bonds.

Dependence on Projections

This Official Statement contains estimates of future School District TIF Revenues (See APPENDIX G –“Financial Projections” attached hereto) from the affected properties located within the TIF area and amounts available from the School District Permanent Improvement Levy. There can be no assurance that these projections are accurate, nor can there be any assurance that the Commercial Development which is expected to produce the School District TIF Revenues will be constructed. These projections constitute forward-looking statements, and as such may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to be difference from the future results. **INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH ON APPENDIX G ATTACHED HERETO.**

Future Service Payments and the Property Owners

The future service payments paid by certain property owners of parcels located within the Commercial Development in connection with the TIF are subject to, among other things, future economic and other conditions which are not predictable and may materially adversely affect the tax base relating to the properties against which the service payments are calculated. Further, service payments are based upon the assessed value of the affected properties within the TIF area. The method of appraising the area could have a significant impact on the service payments that become available. The appraisal method that the County Auditor uses with respect to the TIF area is within the discretion of the County Auditor and could change from time to time.

The properties within the TIF area have been exempted from real property taxation and the owners of property within the TIF area are instead required to make service payments. The financial conditions of the various owners of parcels that comprise the TIF area is not known, which makes it impossible to analyze their respective abilities to pay service payments. However, the service payments owed in connection with the TIF are collected in the same manner and have the same priority of real estate taxes, and if said payments are not received, they will be posted as a lien in the County's real estate records.

No representations or assurances can be made that the service payments, as presently estimated or otherwise, will be realized by the Trustee on behalf of the Bond holders, or any other party, in amounts necessary to pay the principal of, premium, if any, and interest on the 2015 Bonds.

Risk of Catastrophic Loss

In the event natural or manmade disaster, such as a hurricane, fire, earthquake, tornado, or war destroyed the TIF area, the service payments would continue to be owed and a lien upon the affected properties, but in the event of catastrophic loss, the owners may not have the ability to pay them.

It is anticipated that the School District will maintain adequate fire and standard extended coverage with respect to the Project. Nevertheless there can be no assurance that a casualty loss will be covered by insurance (certain casualties are excepted), that the insurance company will fulfill its obligation to provide insurance proceeds, that the insurance proceeds will be sufficient to rebuild the Project.

Tax Implications

The 2015 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 2015 Bonds may need to consult their own tax advisors prior to any purchase of the 2015 Bonds as to the impact of the Internal Revenue Code of 1986, as amended (the "Code"), upon acquisition, holding or disposition of the 2015 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 2015 Bonds could be adversely affected.

In recent years, the Internal Revenue Service (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 Holder, the School District or the 2015 Bonds. If the 2015 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 2015 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 2015 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 2015 Bonds or affect the market value of the 2015 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations issued prior to enactment. Prospective purchasers of the 2015 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.

Limitation on Remedies; No Acceleration of 2015 Bonds or Pledged Revenues

The remedies available upon a default under the Trust Indenture and other legal documents relating to the 2015 Bonds will, in many respects, be dependent upon judicial actions, which are often subject to discretion and delay. Under existing constitutional and statutory laws and judicial decisions, including the United States Bankruptcy Code, the remedies specified in the Trust Indenture, and other legal documents may not be readily available or may be limited. The various legal opinions to be delivered in connection with the issuance of the 2015 Bonds will be expressly subject to the qualification that the enforceability of the Trust Indenture and other legal documents is limited by bankruptcy, reorganization, insolvency, moratorium and other similar laws affecting the rights of creditors generally and by the exercise of judicial discretion in appropriate cases.

Availability of Reserve Fund

At the time of issuance of the 2015 Bonds, the Bond Reserve Fund will be funded via the surety policy deposit in the amount of the Bond Reserve Requirement for the 2015 Bonds. There can be no assurance that the amount on deposit in the Bond Reserve Fund, if needed for payment of the 2015 Bonds, will be available in the full amount of the Required Reserve, because funds may previously have been transferred from the Bond Reserve Fund to the Bond Fund; and in any case sufficient moneys may not be available to replenish the Bond Reserve Fund.

INVESTMENT POLICY OF THE PORT

Ohio Revised Code Chapter 135 sets forth the requirements and limitations for investments of the state's political subdivisions, including the Port, for moneys which such political subdivisions hold in their treasuries. Chapter 135 does not apply to funds held by a corporate trustee such as the Trustee. Under Ohio Revised Code Section 135.14, the Port may invest its funds provided that such investments must mature or be redeemable within five years from the date of purchase. The only classifications of obligations which are eligible for such investment by the Port are as follows:

- (A) United States Treasury bills, notes, bonds, 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;

- (B) Notes, bonds, debentures, or any other obligations or securities 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;
- (C) Interim deposits in the eligible institutions applying for interim moneys as provided in Ohio Revised Code Section 135.08. The award of interim deposits shall be made in accordance with Ohio Revised Code Section 135.09 and the treasurer or the governing board shall determine the periods for which such interim deposits are to be made and shall award such interim deposits for such periods, provided that any eligible institution receiving an interim deposit award may, upon notification that the award has been made, decline to accept the interim deposit in which event the award shall be made as though such institution had not applied for such interim deposit;
- (D) Notes and other obligations of this state;
- (E) No-load money market mutual funds consisting exclusively of obligations described in division (A) or (B) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions mentioned in Ohio Revised Code Section 135.03; and
- (F) The Ohio Subdivision's Fund as provided in Ohio Revised Code Section 135.45.

Nothing in the classification of eligible obligations set forth in Division (A) of this section or in the classifications of eligible obligations set forth in Divisions (B) to (F) of this section shall be construed to authorize any investment in stripped principal or interest obligations of such eligible obligations.

The Port may also enter into a written repurchase agreement with any eligible institution mentioned in Ohio Revised Section 135.03 or any eligible dealer pursuant to Division (M) of Ohio Revised Code Section 135.14, under the terms of which agreement the Port purchases, and such institution or dealer agrees unconditionally to repurchase any of the securities listed in Division (A) or (B) of this section.

The Port invests its interim funds in compliance with Ohio Revised Code Section 135.14. The Port has never owned any derivative investments, interest only investments or reverse repurchase agreements. The fiscal officer of the Port has attended special training in all of the investment areas applicable to the Port to assure compliance with the strictly conservative philosophy of the Port. All investments are transacted with reputable banks 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 Port's investment requirements.

CONTINUING DISCLOSURE

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 School District are intended to be made available through the Electronic Municipal Market Access (EMMA) system of the MSRB. Copies of the basic documentation relating to the 2015 Bonds, including the authorizing resolution and the Bond form, are available from the Port.

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

Continuing Disclosure

Concurrently with the delivery of the 2015 Bonds, the School District and the Port will execute a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”), in the form attached hereto as APPENDIX F whereby the School District will agree, for the benefit of the holders and beneficial owners of the 2015 Bonds, to provide annual financial and operating information designated as its Annual Report (the “Annual Report”) to the Port Authority and the Port Authority shall file such Annual Report not later than March 1 of each year, and the Port Authority shall agree to provide notices of certain events, if material. Concurrently with the delivery of the 2015 Bonds, the School District and the Port will execute a Continuing Disclosure Agreement with the Port (the “Continuing Disclosure Agreement”), in the form attached hereto as APPENDIX F, describing the nature of the information to be provided, the persons and entities to whom such information will be provided and the times at which such information will be provided. The School District's or the Port's failure to comply with any undertaking contained in the Continuing Disclosure Agreement will not constitute an event of default under the 2015 Bonds.

The Continuing Disclosure Agreement is being executed by the School District and the Port to assist the Underwriter in complying with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission. Specifically, the School District agrees to provide the Annual Report to the Municipal Securities Rulemaking Board (the “MSRB”) in an electronic format, if required, and to provide notice of the enumerated events to the MSRB in an electronic format, if required.

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 School District is obligated to provide such continuing disclosure with respect to one or more previously issued and currently outstanding bond or note issues. The School District has failed to comply in all material respects with their continuing disclosure obligations in the past five years. The School District's latest disclosure was filed in May 7, 2015 and June 15, 2015, respectively.

The Port is obligated to provide such continuing disclosure with respect to one or more previously issued and currently outstanding bond or note issues. The Port has been late in filing its required information with respect to a continuing disclosure certificate entered into in connection with the Clermont County Port Authority's Ohio Economic Development Special Obligation Bonds, Series 2013 (Jungle Jim's Economic Development District Project). The Port filed its required information and a notice of late filing on September 22, 2015 and has engaged counsel to assist in compliance in the future.

The information in the immediately preceding paragraph is included in this Official Statement out of an abundance of caution in light of the uncertainty that exists in the municipal market concerning what constitutes a failure to comply with a prior continuing disclosure agreement and whether a particular instance of noncompliance constitutes material noncompliance, and also in keeping with the spirit of the Rule to improve disclosure in the municipal securities market. By providing that information, the Port does not intend to make, and is not making, any statement or suggestion regarding its materiality to any investor.

LEGAL MATTERS

Legal matters incident to the issuance of the 2015 Bonds and with regard to the tax status thereof are subject to the approving legal opinion Bricker and Eckler LLP, Bond Counsel. Upon delivery of the 2015 Bonds of the Poer to the purchaser therefor, the 2015 Bonds will be accompanied by an approving opinion dated the date of such delivery, rendered by Bricker and Eckler LLP as to the legality of the authorization of the 2015 Bonds. Such opinion will state, in part, that, in the opinion of Bricker and Eckler LLP, interest on the 2015 Bonds is excludable from gross income for federal income tax purposes upon the conditions and subject to the limitations set forth herein under "TAX MATTERS." A draft of such legal opinion for the 2015 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 School District, the Port or the 2015 Bonds that may be prepared or made available by the School District or others to the purchasers or holders of the 2015 Bonds, or others.

In addition to rendering the approving legal opinion, Bond Counsel will assist in the preparation of and advise the Port and the School District concerning documents for the transcript of proceedings.

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 Port and the School District when the 2015 Bonds are delivered to the original purchasers for the 2015 Bonds. The Port and the Board of Education at that time will also provide to the original purchasers of the 2015 Bonds a certificate of the Port and the School District, respectively, addressed to such original purchasers relating to the accuracy and completeness of this Official Statement.

TAX MATTERS

In the opinion of Bricker & Eckler LLP, Bond Counsel, under existing law the interest portion of the Base Rent (the "Interest") is excluded from gross income for purposes of federal income taxation.

The Interest is not treated as an item of tax preference under Section 57 of the Code for purposes of the alternative minimum tax imposed on individuals and corporations. However, Code provisions applicable only to corporations (as defined for federal income tax purposes) that impose an alternative minimum tax on a portion of a adjusted current earnings in excess of other alternative minimum taxable income may subject a portion of the Interest earned by certain corporations to that corporate alternative minimum tax.

While the Lease is in existence, the Interest and the transfer, and any profit made on the sale or other disposition, of the 2015 Bonds are exempt from the 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.

The opinion on tax matters is based on and assumes the accuracy of certain representations, warranties and certifications and compliance with certain covenants of the School District to be contained in the transcript of proceedings and that are intended to evidence and assure the matters described herein, including that the Interest will remain excluded from gross income for federal income tax purposes. Bond

Counsel will not independently verify the accuracy of the representations, warranties and certifications made by the School District.

The School District has covenanted in the Lease and other transcript documents to take all actions that may be required of it for the Interest to be and remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. Notwithstanding the foregoing, the School District is not obligated to appropriate funds for subsequent renewal periods, even though the failure to renew the Lease may result in adverse tax consequences to the holders of the 2015 Bonds. In particular, should the Lease terminate, and payments thereafter be made on the 2015 Bonds from other sources, the interest portion of such payments may be subject to federal income taxation and to certain taxes levied by the State and its political subdivisions. In addition, in the event of termination of the Lease, use of the Project in a manner that would cause the 2015 Bonds, if the Project has originally been used in such manner, to constitute a “private activity bond” under Section 141 of the Code may prompt the IRS to take the position that the Interest is not excluded from gross income for federal income tax purposes, retroactive to the effective date of the Lease.

Bond Counsel makes no representation nor expresses any opinion as to whether the interest on the 2015 Bonds paid (i) from sources other than the Base Rent or (ii) after termination of the Lease, will be excludable from gross income for federal income tax purposes or from certain taxes in Ohio.

The School District has not designated the Lease as a “qualified tax-exempt obligation” as defined in Section 265(b)(3) of the Code.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and remain excluded from gross income for federal income tax purposes, some of which, including provisions for the rebate by the School District of certain investment earnings to the federal government, require future or continued compliance after issuance of the obligations in order for the interest to be and remain so excluded from the date of issuance. Noncompliance with these requirements could cause the Interest to be included in gross income for federal income tax purposes and to be subject to federal income taxation retroactively to the date of issuance of the 2015 Bonds.

Under the Code, the Interest may be subject to a branch profits tax imposed on certain foreign corporations doing business in the United States of America and a tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes can have certain adverse federal income tax consequences on items of income or deductions for certain taxpayers, including among them financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, and those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations and individuals otherwise eligible for the earned income credit. The applicability and extent of these or other tax consequences will depend upon the particular tax status or other items of income and expenses of the holders of the 2015 Bonds. Bond Counsel will express no opinion and make no representation regarding such consequences.

From time to time, there are legislative proposals in Congress which, if enacted, could alter or amend the federal tax matters referred to herein or could adversely affect the market value of the 2015 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the 2015 Bonds) issued prior to enactment.

Original Issue Discount

Certain of the 2015 Bonds may be sold to the public at a price of less than 100% of their face amount (the “Discount 2015 Bonds”). The following information, which has not been included in the opinion of Bond Counsel, may be helpful to prospective purchasers of the Discount 2015 Bonds.

Under present federal income tax law, original issue discount (i.e., the difference between the issue price, as hereinafter defined, of a Discount 2015 Bond and the stated redemption price at maturity of such Discount 2015 Bond), is treated as accruing (accreted) over the term of such Discount 2015 Bond. The issue price is the price at which a substantial amount of the Discount 2015 Bonds is sold to the public (excluding bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers). In general, the amount of original issue discount which is to be accreted in each “accretion period” will equal (i) the issue price of that Discount 2015 Bond, increased by the amount of original issue discount which has been accreted in all prior accretion periods, multiplied by (ii) the initial offering yield of that Discount 2015 Bond reflected on the inside cover page of this Official Statement (determined on the basis of compounding at the close of each accretion period and properly adjusted for the length of the accretion period), minus interest actually paid during such accretion period. For these purposes, “accretion period” means a six-month period (or shorter period from the date the Discount 2015 Bond was issued) which ends on a day in the calendar year corresponding to the maturity date of that Discount 2015 Bond or the date six months before such maturity date.

The amount of original issue discount so accreted in a particular accretion period will be considered to accrete ratably on each day of the accretion period. Such accreted amount is used for purposes of determining the adjusted basis for federal income tax purposes of the holder of such Discount 2015 Bond but is not included in such holder's gross income for federal income tax purposes. Consequently, a purchaser who buys a Discount 2015 Bond in the initial offering at the issue price and holds such Discount 2015 Bond to its maturity would not realize any gain or loss for federal income tax purposes upon payment of the stated redemption price of that Discount 2015 Bond at maturity.

Amortizable Bond Premium

Certain of the 2015 Bonds may be sold at issue prices greater than the principal amount payable at maturity or earlier call date (the “Premium 2015 Bonds”). The following information, which has not been included in the opinion of Bond Counsel, may be helpful to prospective purchasers of the Premium 2015 Bonds.

Premium 2015 Bonds will be considered to be issuable with amortizable Bond premium (the “Bond Premium”). A taxpayer who acquires a Premium 2015 Bond in the initial public offering will be required to adjust his or her basis in the Premium 2015 Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. The amount of amortizable Bond Premium will be computed on the basis of the taxpayer's yield to maturity with compounding at the end of each accrual period. Rules for determining (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth at Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed to a holder pursuant in Section 171(a)(2) of the Code. The amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium 2015 Bonds. A purchaser of a Premium 2015 Bond at its issue price in the initial public offering who holds that Premium 2015 Bond to maturity will realize no gain or loss upon the retirement of such Premium 2015 Bond.

PROSPECTIVE PURCHASERS OF THE DISCOUNT OR PREMIUM 2015 BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, SALE, TRANSFER, REDEMPTION, PAYMENT, OR OTHER DISPOSITION OF THE DISCOUNT OR PREMIUM 2015 BONDS, INCLUDING, WITHOUT LIMITATION, MODIFICATIONS TO THE METHOD FOR AMORTIZING PREMIUM FOR CERTAIN SUBSEQUENT PURCHASERS, AND INCLUDING THE EFFECT OF ANY APPLICABLE STATE OR LOCAL INCOME TAX LAWS.

RATINGS

As noted on the Cover, the School District has applied for a rating of the 2015 Bonds from Standard & Poor's Ratings Services ("Standard & Poor's"), a division of The McGraw Hill Companies, Inc., which have rated the 2015 Bonds "AA" (Stable Outlook), based on the understanding that the 2015 Bonds will be insured by BAM upon their issuance. Also as noted on the Cover, Moody's Investors Service, Inc. ("Moody's") Moody's has assigned an underlying rating of "A2" to the 2015 Bonds and Standard and Poor's has assigned an underlying rating of "A" to the 2015 Bonds. No application for a rating has been made to any other rating agency.

Each such rating reflects only the views of such rating agency. Any explanation of the significance of the rating may only be obtained from such rating agency at Moody's Investors Service, Inc., 7 World Trade Center, New York, New York 10007, telephone (212) 553-0300, and Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc., 55 Water Street, New York, New York 10041, telephone (212) 438-2000, respectively.

The "AA" (Stable Outlook) insured rating will assume, upon delivery of the 2015 Bonds, the issuance of the Municipal Bond Insurance Policy by BAM a copy of which is attached hereto as APPENDIX J (see "INSURANCE" herein). Pursuant to the Municipal Bond Insurance Policy, BAM will insure the scheduled payment when due, of principal of and interest on the 2015 Bonds, as described in this Official Statement.

The ongoing stability of BAM and BAM's ability to pay principal of and interest on the 2015 Bonds, and otherwise to perform its obligation under the Municipal Bond Insurance Policy, are the primary basis for the "AA" (Stable Outlook) insured rating that will be assigned to the 2015 Bonds and the ultimate security for the payment of and interest on the 2015 Bonds. A decline in the financial condition of BAM could have an adverse effect on the insured rating and, consequently, on the market price of the 2015 Bonds.

The School District furnished to the rating agencies certain information and materials, some of which may not have been included in this Official Statement, relating to the 2015 Bonds and the School District. The Port furnished to such rating agency certain information and materials relating to the 2015 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. Generally, rating agencies base their ratings on such information and materials, as well as investigation, studies and assumptions by the rating agencies. Such ratings are not recommendations to buy, sell or hold the 2015 Bonds.

The Port expects to furnish the rating service with information and materials that it may request. However, the Port 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 2015 Bonds.

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 the rating agency's judgment, circumstances so warrant. In addition, the School District currently expects to provide to the rating agencies (but assumes no obligation to furnish to the Underwriter or the holders of the 2015 Bonds) further information and materials that it or they may request. However, the School District does not obligate itself hereby to furnish such information and materials to the rating agencies, and the School District may issue unrated bonds and notes from time to time. Failure by the School District to furnish such information and materials, or the issuance of unrated bonds or notes, may result in the suspension or withdrawal of a rating agency's rating on the 2015 Bonds. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the marketability or market price of the 2015 Bonds.

UNDERWRITING

Fifth Third Securities, Inc., Cincinnati, Ohio (the "Underwriter") has agreed to purchase the 2015 Bonds at a purchase price equal to \$99,108,111.95, which is equal to the par amount of the 2015 Bonds \$99,255,000 plus net premium of \$602,039.75 and less underwriter's discount of \$748,927.80. The Underwriter shall retain from the proceeds of the 2015 Bonds the sum of \$1,108,111.95 which shall be applied by the Underwriter to pay, as agent for the Port Authority, certain costs of issuance associated with the 2015 Bonds (which includes the municipal bond insurance premium, cost of the surety policy to fund the Bond Reserve Fund, Trustee fees, Bond Counsel fees, underwriter's counsel fees and printing costs) pursuant to an agreement entered into by and between the Port, the School District and the Underwriter. The Underwriter reserves the right to join with dealers and other underwriters in offering the 2015 Bonds to the public. The Underwriter may offer and sell 2015 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 Underwriter is purchasing the 2015 Bonds as originally issued for purpose of resale. The Underwriter reserves the right to join with dealers and other underwriters in offering the 2015 Bonds to the public. The Underwriter may offer and sell the 2015 Bonds to certain dealers (including dealer banks and dealers depositing the 2015 Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriter), and others at prices lower than the public offering prices noted on the cover hereof. The initial offering prices of the 2015 Bonds may be changed, from time to time, by the Underwriter.

The obligation of the Underwriter to accept delivery of the 2015 Bonds is subject to various conditions of the agreement between the Trustee and the Underwriter. The Underwriter is obligated to purchase all of the 2015 Bonds if any of such 2015 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.

CONCLUDING STATEMENT

Information pertaining to the School District has been furnished by officials of the School District. Information pertaining to the Project has been furnished by the School District and information pertaining to the Port and the Trustee has been furnished by the Port and the Trustee, respectively.

To the extent that any statements in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, those statements are made as such and not as representations of fact or certainty, and no representation is made that any of those statements will be

realized. Information in this Official Statement has been derived by the Underwriter from official and other sources and is believed by it to be reliable.

References to and summaries or descriptions of provisions of the 2015 Bonds, the Lease, the Trust Indenture and all references to laws and other documents and materials not stated to be quoted in full do not purport to summarize or describe all of the provisions. Copies of those documents may be obtained during the offering period upon request directed to the Underwriter.

This Official Statement has been duly prepared and delivered for and on behalf of the Port and is signed for and on behalf of the Port by the Executive Director of the Port.

CLERMONT COUNTY PORT AUTHORITY

By: /s/ Andrew T. Kuchta
Andrew T. Kuchta, Executive Director

APPENDIX A

THE WEST CLERMONT LOCAL SCHOOL DISTRICT

GENERAL INFORMATION

Introduction

The School District is located in the southwestern part of the State and within the greater Cincinnati area. The School District encompasses 54 square miles and is located entirely within Clermont County, Ohio. The community includes a population of approximately 68,000 residents living in Union Township, and the Village of Amelia, Ohio, and parts of Batavia Township, Monroe Township, Ohio Township, and Pierce Township.

The School District is one of the largest districts in the greater Cincinnati area, and the largest district in Clermont County. It is located at the junction of State Route 32 and Interstate 275, a circle freeway that surrounds the City of Cincinnati. It is also in close proximity to major metropolitan areas including Cincinnati (20 minutes southwest), Dayton (60 minutes northwest), and Columbus (90 minutes north). These rapidly growing and thriving communities are a blend of residential, business, high technology, and light industrial areas. Convenient access to State Route 32 and Interstate 275 has helped in the spectacular growth of the area during the last twenty years. The Greater Cincinnati area has long been noted as one of the premiere areas to live and work in the United States.

The School District is served by a daily newspaper and several weekly newspapers. Numerous radio and television stations are available within the School District.

The School District is in close proximity to many colleges and universities. The University of Cincinnati, Northern Kentucky University, Xavier University, The University of Dayton, Wright State University, Thomas More College, Miami University, and the College of Mt. St. Joseph are all within easy commuting distance.

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According to information supplied by the Ohio Municipal Advisory Council, the School District contains portions of the assessed valuation of other subdivisions, as shown below:

Overlapping Subdivisions
West Clermont Local School District

Subdivision	Percent of Subdivision's Assessed Valuation Within the School District	Percent of School District's Assessed Valuation Within the Subdivision
<u>Counties</u>		
County of Clermont	29.41%	100.00%
<u>Other Political Subdivisions</u>		
Village of Amelia, Ohio	100.00	5.71
Batavia Township	48.73	14.15
Monroe Township	15.02	1.41
Ohio Township	11.51	0.77
Pierce Township	55.99	13.81
Union Township	87.19	64.14
Great Oaks Joint Vocational School District	6.87	100.00
Central Joint Fire & EMS District Misc.	45.68	100.00
Clermont Alcohol, Drug Addiction & Mental Health Misc.	29.41	100.00
Clermont County Library District Misc.	29.41	100.00

Source: Ohio Municipal Advisory Council

According to the U.S. Bureau of the Census, the estimated population of the School District in 2010 was 68,262 people.

Map of Geographic Area



School District Officials

The legislative power of the School District is vested in the Board of Education (the "Board"), consisting of five members elected at large for staggered four-year terms. The Board meets regularly on second Monday and fourth Tuesday of each month unless scheduled otherwise. At the first meeting of each year, the Board elects a president and a vice president from its membership, each to serve a one-year term. The Board employs a Superintendent who serves as the executive officer for the Board and a Treasurer who serves as the chief fiscal officer for the Board.

School District Officials West Clermont Local School District

Official	Office	Expiration of Current Term	Beginning of Tenure
John Bantjes	Board President	December 31, 2015	August 11, 2014
Steve Waldmann	Board Vice President	December 31, 2017	January 1, 2014
Tammy Brinkman	Board Member	December 31, 2015	January 1, 2012
James Lewis	Board Member	December 31, 2017	January 1, 2014
Tina Sanborn	Board Member	December 31, 2015	January 1, 2012
Dr. Keith Kline	Superintendent	Contract	
Alana Cropper	Treasurer	Contract	

School District Employees

The School District currently has 461 certificated employees (436 teachers and 25 administrators) and 328 classified employees (custodial, maintenance, clerical, food service, and paraprofessional, and other non-teaching employees). In fiscal year 2014, salaries accounted for 46% of the School District's operating expenditures, while fringe benefits accounted for 18% of the School District's operating expenditures. In the opinion of School District officials, labor relations are good.

The School District provides employee medical benefits through Southwest Ohio Organization for School Health and two self-insurance programs and dental benefits through a self-insurance program. The School District pays 84% of monthly premiums for certified employees and classified employees. Life insurance is made available to employees.

Certified Staff

The teaching and certified staff is represented by the West Clermont Education Association ("WCEA"), which is affiliated with the Ohio Education Association and the National Education Association. In 2013, the Board and the OTA signed a three-year agreement effective through July 31, 2016. The agreement provides a salary scale for certified employees beginning with certified employees with bachelor's degrees and no experience progressing to certified employees with master's degrees +30 hours with 25 years' experience.

Classified Staff

Classified staff includes custodial, maintenance, clerical, food service, and paraprofessional personnel.

The School District has a negotiated agreement with its classified employees through the West Clermont Helping Ohio's Public Employees ("West Clermont HOPE") labor organization. In 2013, the Board entered into a three-year agreement effective through July 31, 2016 with West Clermont HOPE, which is affiliated with the Ohio Education Association and the National Education Association.

Pension Obligations

Present and retired employees of the School District are covered under two statewide public retirement (including disability retirement) systems. The State Teachers Retirement System (the "STRS") is applicable to all teachers, principals, supervisors and administrators employed by the School District who are required to hold a certificate issued by the Department pursuant to the Revised Code. Other eligible employees are covered by the School Employees Retirement System (the "SERS"). Pursuant to federal law, all School District employees hired after March 31, 1986 are required to participate in the federal Medicare program which currently requires employee and employer contributions each equal to 1.45% of the employee's wages subject to the Federal Insurance Contribution Act ("FICA") wage limit. Otherwise, School District employees are not presently covered under the Federal Social Security Act.

Employees covered by STRS and SERS contributed at a statutory rate of 10.0% of earnable compensation. Member contributions for employees covered by STRS will increase by 1% per year beginning July 1, 2013 through July 1, 2016. As the employer, the School District's statutory contribution rate for those employees was 14.0% of the same base. These employee and employer contribution rates are the maximums permitted under current State law.

STRS and SERS are not presently subject to the funding and vesting requirements of the Federal Employee Retirement Income Security Act of 1974.

Both STRS and SERS were created by and operate pursuant to Ohio law. The State legislature could determine to amend the format of either system and could revise rates or methods of contribution to be made by the School District into the pension funds and revise benefits or benefits levels.

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School District Facilities

The School District presently operates the following school buildings:

School District Facilities West Clermont Local School District

Name of Building	Grades Housed	Enrollment 2014-15	Capacity	Pupil/ Teacher Ratio	Year Building Completed	Year(s) of Additions/ Renovations
Amelia Elementary	PK-5	684	729	22:1	2010	--
Bratner Lane Elementary	PK-5	365	366	17:1	1963	--
Clough Pike Elementary	PK-5	558	360	24:1	1968	1996
Holly Hill Elementary	PK-5	373	386	18:1	1982	1996
Merwin Elementary	K-5	509	422	22:1	1969	1996
Summerside Elementary	K-5	446	410	20:1	1951	--
Willowville Elementary	K-5	415	362	23:1	1968	1996
Withamsville-Tobasco Elementary	PK-5	596	584	20:1	2010	
Amelia Middle School	6-8	973	604	19:1	1961	1982, 1988, 1996
Glen Este Middle School	6-8	845	619	16:1	1963	1985, 1988, 1996
Amelia High School	9-12	1,110	987	22:1	1960	1985, 1987, 2000
Glen Este High School	9-12	1,125	1,311	20:1	1963	1998
Total		7,999	7,140			

Source: West Clermont Local School District

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Enrollment

Enrollment increases are projected to continue during the next 18 years, thus creating the need for additional and improved school facilities. The School District will evaluate the need for new school facilities according to its facility planning and educational programming.

The daily average enrollments for past school years, together with projected enrollments for future school years, are shown below.

Actual and Projected Enrollment by School Year
West Clermont Local School District

Grade	2011-12	2012-13	2013-14	2014-15	2015-16*	2016-17*	2017-18*	2018-19*
Pre-K	124	99	107	193	124	115	119	120
K	487	349	325	593	672	622	648	649
1	725	683	671	635	648	660	612	636
2	718	646	655	637	616	627	639	592
3	713	669	657	656	627	594	605	616
4	646	671	632	626	600	594	563	573
5	693	616	644	606	602	579	574	544
6	664	631	588	616	579	571	549	544
7	647	645	632	589	606	573	565	544
8	634	630	650	613	570	593	561	553
9	599	606	657	585	627	578	601	569
10	567	582	598	615	615	585	539	561
11	616	556	598	524	470	471	449	413
12	604	615	566	511	435	446	447	426
Other	--	--	--	--	85	85	84	79
Totals	8,437	7,998	7,980	7,999	7,876	7,693	7,555	7,419

Source: West Clermont Local School District

* Projected

Community School

The School District does not serve as a sponsor for a community school established under Revised Code Chapter 3314.

Open Enrollment

The School District offers open enrollment into the School District for children of School District employees. The following table depicts open enrollment with respect to the School District during recent years.

Open Enrollment
West Clermont Local School District

School Year	Students Open-Enrolling Into the School District	Students Open-Enrolling Out of the School District	Net Change Due to Open Enrollment
2010-11	0	255	-255
2011-12	0	285	-285
2012-13	18	352	-334
2013-14	41	494	-453

Source: West Clermont Local School District

Dual Enrollment Programs and Credit Flexibility

The School District is required by State law to offer students the opportunity to participate in a dual enrollment program. The School District offers the options shown in the table below.

Dual Enrollment Programs
West Clermont Local School District

Program	Students Participating
Post-Secondary ¹	112
Advanced Placement	359

¹ Provided by agreement with Cincinnati State University and Zane State University.
Source: West Clermont Local School District

The School District's credit flexibility policy was last updated in April, 2010.

Educational Program

The School District served approximately 7,999 students in grades K-12 during 2014. As such, the School District provides a full range of educational services including regular, special and vocational instruction, student guidance, extracurricular activities, food service, educational media, student transportation and care and upkeep of buildings. In January 2014, the School District engaged Future Think Company to project the future enrollment of the School District. The report projected that enrollment will slightly decrease to approximately 7,419 students during the 2018-2019 school year. The report, however, noted that the decrease in enrollment could be counteracted by increased services and the opening of new school buildings. Because some of those services, such as art, music, physical education and transportation have been returned, and a new high school building is planned, the School District expects the decrease in enrollment to be less than stated in the report. The School District also plans to provide gifted Science, Technology, Engineering, and Math ("S.T.E.M.") services beginning in the 2015-2016 school year, which the School District expects will further lessen the projected decrease in enrollment.

The School District has achieved success on standardized tests designed to measure educational progress. On the Ohio Department of Education's 2013-2014 State Report Card, the School District met 21 out of 24 indicators of proficiency by grade level and subject matter, and it earned a Performance Index score of: a 87.5%. The School District scored above state averages for reading and math for grades 3-6, as well as on the Ohio Graduation Test.

Regarding progress, the School District earned an "A" for its efforts among students who represent the lowest 20 percent in achievement, and is implementing additional strategies to provide

assistance to struggling students. The School District additionally earned B's for both its four-year and five-year graduation rates. The School District earned a "B" for K-3 Literacy, which evaluates how well the district is doing to ensure that all students learn to read prior to the fourth grade.

Over 1,300 students receive special education services like Preschool disabilities, social communication support for students with autism, multiple disabilities and emotional disturbance. The School District also provides support for student transitioning to the work forces as cross-categorical support for all students with disabilities.

Students in the School District also receive guidance, psychological, and limited mental health services free of charge. The guidance services are designed to help students match their natural skills with vocational and/or academic programs to help them achieve their full potential in life. Psychological services include: Response to Intervention/Early Intervention; consultation and testing; and identification of students for special education programs.

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State Performance Standards

In August 2013, the Department began the process of phasing in a new model of local report card (the "Local Report Card") evaluations for Ohio school districts. The Local Report Cards for Ohio school districts released in the fall of 2014 contain 10 measurements that receive grades. Beginning in the fall of 2016, measurements reported on the Local Report Card will be combined into six broad categories, referred to as "components," that will also receive grades, and each school district and individual school will also receive an overall grade. The Department will not release component or overall grades until the fall of 2016 in order to give school districts time to adjust to the new evaluation system and focus their efforts on being successful in all of the areas that are being measured.

The following table summarizes the School District's letter grade results on its most recent Local Report Card for the 2013-2014 school year.

Local Report Card Summary, 2013-2014 West Clermont Local School District

<u>Achievement</u>	
Performance Index	B
Number of State Indicators Met	B
<u>Progress</u>	
Overall Value-Added	F
Gifted Value-Added	D
Disabled Value-Added	A
Lowest 20% Value-Added	D
<u>Gap Closing</u>	
Annual Measureable Objectives	F
<u>Graduation Rate</u>	
4-Year Graduation Rate	B
5-Year Graduation Rate	B
<u>K-3 Literacy</u>	
K-3 Literacy	B

Source: Ohio Department of Education

The six components that will be on the new Local Report Card are:¹

1. **Achievement** – This component measures absolute academic achievement compared to national standards of success, and this component is comprised of a performance index (the "Performance Index") and a series of 24 State tests (the "Indicators"). The Performance Index measures the test results of every student. There are six levels on the Performance Index, and school districts receive points for every student in each of these levels.

The Indicators are based on a series of 24 State tests that measure the level of achievement for each student in certain grades and subjects. The State previously

¹ This discussion of the new Local Report Card standards is provided for the convenience of the reader and only summarizes the process by which the Department reaches its designation for school districts. For more information about State performance standards, including more detail about the School District's performance, please see the Department's website relating to State and Local Report Card reporting at <http://reportcard.education.ohio.gov/Pages/default.aspx>.

required that at least 75% of students score "proficient" or better to get credit for the corresponding indicator. Starting with the 2013-14 school year, the State now requires that a school district or school have 80% of their students (85% for the 11th Grade Ohio Graduation test) reach "proficient" or better in order to meet an indicator.

For this component of the Local Report Card, the two A-F letter grades are determined by (1) the percentage of points that they receive out of a total possible 120 points on the Performance Index, and (2) the number of Indicators met out of the 24 total Indicators.

Score	Letter Grade
90% – 100%	A
80% – 89.9%	B
70% – 79.9%	C
50% – 69.9%	D
Below 50%	F

For the 2013-2014 school year, the School District received an "A" grade on the Performance Index by scoring 106.5 points out of 120 points (88.8%), and the School District received an "A" grade on the Indicators by meeting 24 of 24 (100.0%) of the Indicators. The table below shows the School District's results for each Indicator with bolded Indicators indicating results above the State Standard.

2013-2014 State Performance Indicators
West Clermont Local School District

Performance Indicator	State Standard	School District	Performance Indicator	State Standard	School District
3rd Grade Achievement			8th Grade Achievement		
1. Mathematics	80%	85.7%	12. Mathematics	80%	82.7%
2. Reading	80	88.4	13. Reading	80	89.0
4th Grade Achievement			14. Science	80	74.5
3. Mathematics	80%	80.3%	Ohio Graduation Test (10th Grade)		
4. Reading	80	88.7	15. Mathematics	80%	85.7%
5th Grade Achievement			16. Reading	80	89.5
5. Mathematics	80%	75.0%	17. Science	80	83.9
6. Reading	80	82.3	18. Social Studies	80	80.3
7. Science	80	82.0	19. Writing	80	89.8
6th Grade Achievement			Ohio Graduation Test (11th Grade)		
8. Mathematics	80%	80.2%	20. Mathematics	85%	95.6%
9. Reading	80	88.6	21. Reading	85	96.3
7th Grade Achievement			22. Science	85	90.7
10. Mathematics	80%	65.3%	23. Social Studies	85	91.7
11. Reading	80	85.7	24. Writing	85	94.6

Source: Ohio Department of Education

2. **Progress** – This component measures the average annual improvement for each student (i.e., whether a student gained more or less a year of knowledge and skills each year). This component is commonly referred to as the "value-added" grade.

For this component of the Local Report Card, the A-F grade is determined by the same "value-added" index that the State adopted in 2007. The ranges set forth in the table below show years of growth in one school year's time.

Score	Letter Grade
+2 and higher	A
Greater or equal to +1 but less than +2	B
Greater or equal to -1 but less than +1	C
Greater or equal to -2 but less than -1	D
Less than -2	F

For the 2013-2014 school year, the School District's overall value-added grade was an "F," its gifted students value-added grade was a "D," its students in the lowest 20% in achievement value-added grade was an "A," and its students with disabilities value-added grade was a "D."

3. **Gap Closing** – This component, referred to as Annual Measurement Objectives ("AMO"), measures how well a school district or individual school is doing in narrowing gaps in reading, math and graduation rate among students according to socioeconomic, racial, ethnic or disability status. A school district or school cannot get an "A" on this measure if one of its groups is not reaching the goal set for all students. This component will review 10 student groups in reading, math and graduation rate and assign a grade for efforts to close achievement gaps in all groups. The 10 student groups, which are the same groups measured by the Adequate Yearly Progress model, are:

- All students;
- American Indian/Alaskan Native;
- Asian/Pacific Islander;
- Black, non-Hispanic;
- Hispanic;
- Multiracial;
- White, non-Hispanic;
- Economically disadvantaged;
- Students with disabilities; and
- Limited English proficiency.

The ranges for the AMO grades are:

Score	Letter Grade
90% – 100%	A
80% – 89.9%	B
70% – 79.9%	C
60% – 69.9%	D
Below 60%	F

For the 2013-2014 school year, the School District's AMO grade was a "F" (50.7%).

4. **Graduation Rate** – This component measures the percentage of students who entered the 9th grade and graduated in four and five years.

The ranges for the graduation rate measures are different as set forth below:

Four-Year Graduation Rate

Score	Letter Grade
93% – 100%	A
89% – 92.9%	B
84% – 88.9%	C
79% – 83.9%	D
Less than 79%	F

For the 2013-2014 school year, the School District's four-year graduation rate was 92.4%, which resulted in a "B" grade.

Five-Year Graduation Rate

Score	Letter Grade
95% – 100%	A
90% – 94.9%	B
85% – 89.9%	C
80% – 84.9%	D
Less than 80%	F

For the 2013-2014 school year, the School District's five-year graduation rate was 94.5%, which resulted in a "B" grade.

5. **K-3 Literacy** – This component measures the improvement in reading for students in kindergarten through grade three. This component aims to ensure that all students are reading at grade level by the end of third grade.

Any school district or school that has less than five percent of their kindergartners reading below grade level will not receive a letter grade for this measure or component. The minimum range of a "C" grade will be the statewide average value for this measure. For the 2013-2014 school year, the School District's K-3 Literacy Improvement was 65.9%, which resulted in a "B" grade.

6. **Prepared for Success** – This component measures whether students who graduate are prepared for college or a career without needing to take remedial classes. This component contains six measures that do not receive a grade; they are only reported on the school district's or school's Local Report Card. The component grade is based on the percentage of a school district's or school's graduating class that demonstrates college and career readiness. Any student included in any of the six ungraded measures, such as a student who earns an honors diploma, is considered to have demonstrated college and career readiness. The grade for this component will not be released until the fall of 2016.

National Standardized Test Scores

The following table sets forth ACT results for the 463 seniors who took the test and graduated from the School District in 2014.

ACT Scores for Seniors Graduating in 2014 West Clermont Local School District

	School District	State of Ohio	United States
ACT Score Composite	21.8	22.0	21.0
English	20.8	21.4	20.3
Mathematics	22.0	21.7	20.9
Reading	22.0	22.4	21.3
Science	22.4	22.0	20.8
Percent of students tested ready for college level courses			
English Composition	71%	72%	64%
Algebra	48	50	43
Social Science	51	52	44
Biology	49	45	37
All 4 classes	33	32	26

Sources: ACT and West Clermont Local School District

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Comparative Position of the School District

The following tables compare the School District with its similar district cohort (as defined by the Department) and the State average in the areas of sources of revenue, expenditures by category, and teacher statistics.

Sources of Revenue, 2013-2014 West Clermont Local School District

	School District	Similar Districts	State of Ohio
State Revenue	42.09%	35.62%	42.90%
Local Revenue	45.12	52.31	42.16
Other Non-Tax Revenue	6.18	6.40	7.24
Federal Revenue	6.62	5.67	7.71

Source: Ohio Department of Education

Expenditures by Category, 2013-2014 West Clermont Local School District (Dollars per Pupil)

	School District	Similar Districts	State of Ohio
Administration	\$ 916	\$1,252	\$1,426
Building Operations	1,652	1,878	2,099
Instruction	5,008	6,044	6,362
Pupil Support	619	594	625
Staff Support	182	278	400
Total Spending Per Pupil*	\$8,377	\$10,046	\$10,913

* Totals may not sum due to rounding.
Source: Ohio Department of Education

Teacher Statistics, 2012-2013 West Clermont Local School District

	School District	Similar Districts	State of Ohio
Teachers' Salaries			
Average teacher salary	\$58,360	\$60,333	\$57,636
Teaching experience			
0-4 years	19.77%	23.72%	24.10%
4-10 years	16.09	20.69	19.08
10 + years	64.14	55.59	56.81

Source: Ohio Department of Education

ECONOMY AND EMPLOYMENT

Economic Development

The School District is located in Clermont County, Ohio within the Greater Cincinnati area. The area has seen tremendous growth in the last 20 years, which has contributed to the economic development of the area. In addition, the economic development in the School District benefits from convenient access to the Cincinnati metropolitan area.

Local industry includes retail, high technology, and light industrial. Regional retail destinations located within the School District include the 32 East plaza, Eastgate Marketplace, and Jungle Jim's International Market.

Labor Force Statistics

Unemployment and labor force statistics specific to the School District are not available. The County and the MSA information presented in this section is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the School District is representative of the County or the MSA, or vice versa. The following statistics are not seasonally adjusted.

Area Unemployment Rates (annual percentages)					Labor Force (in thousands)	
Year	Clermont County	Cincinnati MSA	State of Ohio	United States	Year	Clermont County
2003	5.7%	5.5%	6.2%	6.0%	2003	101.1
2004	5.7	5.5	6.3	5.5	2004	102.8
2005	5.5	5.4	5.9	5.1	2005	104.6
2006	5.1	5.2	5.4	4.6	2006	105.5
2007	5.1	5.0	5.6	4.6	2007	106.1
2008	5.9	5.8	6.4	5.8	2008	106.5
2009	9.8	9.5	10.3	9.3	2009	105.7
2010	10.4	9.9	10.3	9.6	2010	104.8
2011	9.1	8.9	8.8	8.9	2011	103.6
2012	7.4	7.4	7.4	8.1	2012	102.1
2013	7.3	7.2	7.5	7.4	2013	102.7
2014	5.3	5.4	5.7	6.2	2014	102.8

* Preliminary average through May 2015.

Source: Ohio Department of Job and Family Services,
Bureau of Labor Market Information

Largest Employers

The following table lists the 20 largest employers in Clermont County, Ohio as of July 2015. It should not be implied from the inclusion of such data in this Official Statement that the School District is representative of the county, or vice versa.

Largest Employers Clermont County, Ohio

Rank	Firm	Number of Employees	Industry
1	Total Quality Logistics	1,302	Freight logistics
2	American Modern Insurance Group	1,200	Insurance
3	Tata Consultancy Services	800	Computer programming
4	Siemens PLM (formerly UGS)	660	Computer programming
5	L-3 Fuzing & Ordnance (formerly KDI)	600	Manufacturing fuses and electronic equipment
6	Milacron Plastics Technologies	550	Manufacturing plastic machinery
7	Mercy Hospital—Clermont	500	Hospital
8	Duke Energy	431	Electric & natural gas utility
9	International Paper/xpedx	322	Paper research & development & tech center
10	Multi-Color Corporation	318	Manufacturing consumer product labels
11	Dualite	308	Manufacturing of display signs
12	Lykins Companies	300	Fuel & energy wholesaler & distributor
13	Jeff Wyler Automotive Family	280	Automobile dealerships
14	Huhtamaki	260	Manufacturing of packaging for consumer food & drink products
15	Alliance Data	256	Credit card processing
16	General Data Company	235	Manufacturing specialty labels, barcode data collection & identification
17	Child Focus, Inc.	224	Children's services
18	American Micro Products	180	Manufacturing high precision components
19	HealthSource of Ohio	175	Health care
20	Cintas	170	Uniform cleaning

Source: Clermont County Economic Development Department

SCHOOL DISTRICT PROPERTY TAX BASE

Ad Valorem Taxes and Assessed Valuation

Overview

For property taxation purposes, assessment of real property is performed on a calendar year basis by the elected County Auditor subject to supervision by the Tax Commissioner, and assessment of public utility tangible personal property is performed by the Tax Commissioner. Property taxes are billed and collected by the County Treasurer.

Taxes collected from real property in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. Public utility tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of that second year preceding the tax collection year. Beginning with the 2009 tax year, general business tangible personal property is no longer subject to tax.

Real Property

The "assessed valuation" of real property is fixed at 35% of true value and is determined pursuant to rules of the Tax Commissioner, except that real property devoted exclusively to agricultural use is assessed at not more than 35% of its current agricultural use value. Beginning in 2008, certain elderly or disabled resident homeowners receive a flat \$25,000 property tax exemption on the market value of their homestead.

Ohio law requires the County Auditor, subject to supervision by the Tax Commissioner, to adjust the true value of taxable real property every six years to reflect current fair market values. This "sexennial reappraisal" is done by individual appraisal of properties. In the third year following a sexennial reappraisal, the County Auditor, again subject to supervision by the Tax Commissioner, performs a "triennial update" to adjust the value of taxable real property to reflect true values. The triennial update is done without individual appraisal of properties, but with reference to a sales-assessment ratio over the three-year period.

Personal Property

In 2005, the State accelerated its phase-out of the tangible personal property tax. Since 2008, general business tangible personal property has not been subject to tax.

Public utility tangible personal property – including tangible personal property of electric utilities not used for transmission and distribution and all tangible personal property of gas utilities – was not included in the phase-out created by the State. All public utility tangible personal property is assessed at varying percentages of its true value depending on the type of property and the type of utility.

The State currently reimburses School Districts for tax losses resulting from the phase-out of the tangible personal property tax. However, recent legislation will reduce and eliminate the amount of such payments. (See "SCHOOL DISTRICT PROPERTY TAX BASE - Property Tax Rate Calculations.")

Tax Abatements and Economic Development Incentives

Tax abatements are temporary property tax exemptions designed to stimulate economic growth or promote other activities deemed by the State to be in the public interest. Under Ohio law, tax abatements may be granted for urban renewal projects, community redevelopment corporations, community reinvestment areas, property acquired by municipal corporations engaged in urban redevelopment, enterprise zones, railroad property, and for any improvements declared to serve a "public purpose" in municipalities, townships, and counties.

Because the burden of tax abatements falls disproportionately on school districts due to their reliance on property taxes, the State has created safeguards that allow school districts to protect their interests. First, a school district must be given advance notice of a planned abatement, and it must be allowed to comment on the abatement prior to its granting. Under certain circumstances, a board of education may "veto" a proposed tax abatement and/or negotiate an annual compensation payment. Second, school district representatives sit on tax incentive review councils to monitor compliance with tax abatement agreements and make recommendations on abatements to the governmental entity involved. Finally, municipalities with an income tax in place must negotiate a compensation agreement with a school district if a tax abatement is expected to generate a significant amount of increased payroll to the area.

The School District is affected by 23 tax increment financing ("TIF") incentives in Union Township and five TIF incentives in Pierce Township. Pursuant to the TIF incentives, a portion of the real property taxes that otherwise would be payable by the owners of the property to which the incentives apply is exempt from taxation. The property owners, however, must pay service payments in lieu of taxes to each township which granted the TIF incentive in an amount equal to the exempted real property taxes. The service payments in lieu of taxes may be used by each township to pay the costs of public infrastructure improvements that benefit the properties to which the incentives apply. Under certain conditions, each township must pay a portion of the service payments in lieu of taxes to the School District as compensation for some of the School District's foregone property taxes.

The 23 Union Township TIF incentives exempt approximately \$63,492,660 of assessed valuation from real property taxation, and the five Pierce Township TIF incentives exempt approximately \$4,531,380 in assessed valuation from real property taxation. Each of the Union Township TIF incentives requires Union Township to pay to the School District a portion of the service payments in lieu of taxes it receives from the owners of property to which the TIF incentives apply. Two of the five Pierce Township TIF incentives require Pierce Township to pay to the School District a portion of the service payments in lieu of taxes it receives from the owners of property to which the TIF incentives apply.

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Assessed Valuation

The following table classifies the School District's assessed valuation of taxable property according to use:

Assessed Valuation West Clermont Local School District (2015 Collection Year)

Property Classification	Amount	Percent of Total Assessed Valuation
<i>Real Estate</i> ¹		
Residential/Agricultural	\$ 895,927,480	71.52%
Commercial/Industrial/Mineral	306,401,520	24.46
Public Utility Real	<u>0</u>	<u>0.00</u>
Total Real Estate	\$ 1,202,329,000	95.98%
<i>Personal Property</i> ²		
Public Utility Personal	\$ 50,286,990	4.02%
Total Assessed Valuation	\$ 1,252,615,990	100.00%

Source: Clermont County Auditor

Historic Growth in Assessed Valuation West Clermont Local School District

Tax Collection Year ¹	Real Estate Assessed Valuation	Real Estate Increase Over Prior Year	Public Utility and Personal Property Assessed Valuation ³	Personal Property Increase Over Prior Year	Total Assessed Valuation	Total Assessed Valuation Increase Over Prior Year
2010	\$1,355,649,250	0.20%	39,729,963	-0.16%	\$1,395,379,213	0.19%
2011 ³	1,344,964,940	-0.79	39,436,420	-0.74	1,384,401,360	-0.79
2012	1,195,150,240	-11.14	42,264,690	7.17	1,237,414,930	-10.62
2013	1,194,401,900	-0.06	43,845,710	3.74	1,238,247,610	0.07
2014 ⁴	1,196,602,440	0.18	47,115,610	7.46	1,243,718,050	0.44
2015	1,202,329,000	0.48	50,286,990	6.73	1,252,615,990	0.72

Source: Clermont County Auditor; Ohio Municipal Advisory Council; West Clermont Local School District

¹ Real property taxes collected in a calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. Real property is assessed at 35% of market value and reappraised every six years, with triennial updates every three years.

² Tangible personal property taxes collected in a calendar year are levied in the same calendar year, on assessed values during and at the close of the most recent fiscal year of the taxpayer (ending on or before March 30 of said calendar year) at tax rates determined in the preceding year.

³ Year of triennial update.

⁴ Year of sexennial reappraisal.

Largest Taxpayers

The following tables list the largest real estate and public utility taxpayers in the School District. Percentages of total assessed valuation are based on a total assessed valuation of \$1,252,615,990 for the 2015 collection year.

Largest Taxpayers West Clermont Local School District (2015 Collection Year)

Real Estate Taxpayers

Name	Type of Business	Assessed Valuation	Percent of School District's Total Assessed Valuation
Eastgate Mall CMBS LLC	Retail shopping center	\$14,506,570.00	1.16%
American Modern Home Insurance	Insurance	9,984,840.00	0.80
KRG Eastgate Pavilion LLC	Retail shopping center	6,397,790.00	0.51
OTR	Apartment complex	5,925,890.00	0.47
Brandy Chase I Apartment Co LTD	Apartment complex	5,122,290.00	0.41
Regency Centers LP	Retail shopping center	5,117,400.00	0.41
Occidental Develop LTD	Apartment complex	4,772,360.00	0.38
Fox Chase North LLC	Apartment complex	4,217,360.00	0.34
Edward Rose Assoc., Inc.	Apartment complex	3,917,970.00	0.31
American Homes 4 Rent	Single family rental homes	4,688,320.00	0.37

Source: Clermont County Auditor

Public Utility Taxpayers

Name	Type of Business	Assessed Valuation	Percent of School District's Total Assessed Valuation
Duke Energy	Electric & natural gas utility	\$48,844,130.00	3.90%
Dayton Power & Light Company	Electric Utility	470,480.00	0.03
Ohio Power Company	Electric Utility	396,130.00	0.03

Source: Clermont County Auditor

History of Voted Taxes

The table below provides the 20-year history of voted taxes in the School District. Issues listed in **bold** were passed by the voters.

History of Voted Taxes West Clermont Local School District

Election Date	Levy or Bond Issue Description	Voting For	Voting Against
November 5, 2013	5.80 mills – Emergency Levy – New	44.31%	55.69%
November 6, 2012	7.90 mills – Emergency Levy – New	40.08	59.92
November 8, 2011	7.79 mills – Emergency Levy – New	39.98	60.02
May 3, 2011	7.90 mills – Emergency Levy – New	39.78	60.22
May 5, 2009	6.91 mills – Substitute Levy – New	76.85	23.15
March 4, 2008	6.9 mills – Current Expense Levy – New	34.25	65.75
November 6, 2007	30,000,000 – Bond Issue	52.76	47.24
February 6, 2007	53,000,000 – Bond Issue	42.94	57.06
November 7, 2006	53,000,000 – Bond Issue	49.97	50.03
November 8, 2005	58,330,000 – Construction Improve School Facilities	47.15	52.85
March 2, 2004	7.90 mills – Emergency Levy - New	53.87	46.13
May 6, 1997	6.85 mills – Current Expense Levy – Renewal	70.31	29.69

Source: Ohio Municipal Advisory Council

The School District, at this time, does not anticipate seeking any new, renewal, or replacement levies or income taxes within the next five years.

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Property Tax Rates and Collections

The following are the rates (in mills per \$1.00 of assessed valuation) at which the School District levied ad valorem taxes for the general categories of purposes in recent years (without the reduction factor discussed below).

Property Tax Rates West Clermont Local School District

Collection Year	Operating	Debt Retirement	Permanent Improvement *	Total
2011	51.15	2.26	4.20	57.61
2012	51.15	2.26	4.20	57.61
2013	51.19	2.26	4.20	57.65
2014	51.19	2.26	4.20	57.65
2015	51.13	2.26	4.20	57.59

* Millage is derived from inside (unvoted) millage.
Source: Ohio Department of Taxation

The total School District operating millage of 51.13 mills for collection year 2015 includes voted operating levies of 51.13 mills, which do not require a renewal vote. (See "SCHOOL DISTRICT DEBT AND DEBT LIMITATIONS – Statutory Debt Limitations Generally – Indirect Debt Limitation" herein.)

The following table identifies the historical tax collections for the School District:

Property Tax Collections West Clermont Local School District

Collection Year	Assessed Valuation	Taxes Levied*	Taxes Collected*	Collection Rate
2008	\$1,369,164,634	\$44,965,062	\$41,832,590	93.03%
2009	1,392,709,675	46,559,926	43,471,991	93.37
2010	1,395,379,213	46,600,791	42,767,983	91.78
2011	1,384,401,360	49,419,911	45,306,325	91.68
2012	1,237,414,930	49,314,271	44,902,683	91.05
2013	1,238,247,610	48,564,153	45,510,712	93.71
2014	1,243,718,050	48,606,282	45,938,178	94.51
2015	1,252,615,990	48,652,170	N/A	N/A

* Does not include data relating to delinquent tax collections.
Source: Clermont County Auditor; West Clermont Local School District

Property Tax Rate Calculations

State law has a "reduction factor" mechanism that is intended to negate increases in taxes resulting from increases in the true value of real property due solely to inflation. Legislation implementing a 1980 constitutional amendment classifies real property as either (1) residential and agricultural or (2) all other real property, and provides for tax reduction factors to be separately computed for and applied to each class.

Statutory procedures limit the amount realized by each taxing subdivision from real property taxation, by the application of a tax reduction factor, to the amount realized from those taxes in the

preceding year plus: (i) the proceeds of any new taxes (other than renewals) approved by the electors, calculated to produce an amount equal to the amount that would have been realized if those taxes had been levied in the preceding year, and (ii) amounts realized from new and existing taxes on the assessed valuation of real property added to the tax duplicate since the preceding year. Such limitations are expressly inapplicable to amounts realized from taxes levied at a rate required to produce a specified amount, such as for debt service charges or emergency school levies, and from taxes levied inside the ten-mill limitation or any applicable municipal charter tax rate limitation. Further, such limitations will not reduce operating millage for school districts below 20 mills or for joint vocational school districts below 2 mills.

A reduction factor is computed for each separate levy that is subject to the limitation. A resulting "effective tax rate" reflects the aggregate of those reductions and is the rate at which real property taxes are, in fact, collected. Real property tax amounts from property devoted to residential and agricultural purposes are, in certain cases, further reduced by an additional 10% (12-1/2% in the case of certain owner-occupied residential property) or a flat, \$25,000 reduction in taxable value applicable to certain elderly or disabled resident homeowners, when billed to the taxpayer. These reductions are reimbursed to the taxing subdivisions by the State. A phase out of these reductions began in 2013. The 10% reduction for residential and agricultural properties and 2-1/2% additional reduction for owner-occupied residential property do not apply to new levies and replacement levies approved by voters after the August 6, 2013 election. Additionally, starting in the 2014 tax year, the \$25,000 reduction in taxable value for certain elderly homeowners and homeowners with disabilities is being grandfathered out, with new reductions limited to property owners with total income less than or equal to \$30,000. This figure is adjusted for inflation annually by the Tax Commissioner.

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Ad Valorem Tax Levies

The following table presents certain information concerning the School District's ad valorem tax levies:

Ad Valorem Tax Levies West Clermont Local School District Current Millage Rates (2015 Collection Year)

Year Voted	Authorized Mills	Rate Levied for Current Collection Year ¹	
		Residential/ Agricultural	Commercial/ Industrial
1976 ²	29.60	12.490130	12.573460
1988	6.90	4.381313	5.422972
1994	6.85	5.239558	6.268770
2009	7.78	7.780000	7.780000
Total Voted Operating Millage	51.13	29.891005	32.045200
Inside (Unvoted) Millage ³	4.20	4.200000	4.200000
Voted Bond Retirement Millage	2.26	2.260000	2.260000
Total Rate	57.59	36.351010	38.505200

¹ This is the "effective rate." The effective tax rates may be less than the authorized rates listed in the first column. See "FINANCES OF THE SCHOOL DISTRICT - Property Tax Rate Calculations."

² Ohio Department of Taxation does not report the years in which operating levies approved prior to 1976 were voted, thus operating levies approved prior to 1976 are aggregated in this line.

³ Allocated for permanent improvement purposes only.

Source: Ohio Department of Taxation

Repeal of Property Tax Levies

Each operating tax levy approved for a continuing period is subject to decrease through a statutory referendum procedure requiring (1) a petition signed by qualified electors of the School District equal in number to those who voted in the last governor's race (to be filed at least 90 days before the general election in any year) stating the amount of the proposed decrease and (2) the approval of the decrease by a majority vote at the general election with the decrease to commence at the expiration of the then current tax levy year. No petition has been filed with respect to any existing current expense tax levy of the School District.

If such a petition is filed and subsequently approved by the electors of the School District, under Revised Code Section 5705.261, the Board must continue to levy and collect such amount as will be sufficient to pay the principal of and interest on any notes in anticipation of an increased rate of levy approved for a continuing period of time.

Total Property Tax Burden

The following table displays the total effective tax rates levied on property located in the School District. In addition to the taxes levied by the School District, properties in the School District are subject to a county tax levy, a joint vocational school district ("JVSD") levy, and the taxes levied by other overlapping political subdivisions.

Ad Valorem Tax Levies West Clermont Local School District (mills per \$1.00 of assessed valuation; 2015 Collection Year)

Location of Property to be Taxed	<u>Taxing Authority</u>				Total	<u>Effective Rates</u>	
	School District	County	JVSD	Other*		Residential & Agricultural	All Other
Batavia Township	57.79	9.95	2.70	11.60	82.04	58.09010	62.09878
Batavia Twp./Amelia Corp.	57.79	9.95	2.70	17.80	88.24	63.40771	67.66056
Monroe Township	57.79	9.95	2.70	15.90	86.34	57.32038	61.74679
Ohio Township	57.79	9.95	2.70	8.40	78.84	55.14227	58.78529
Pierce Township	57.79	9.95	2.70	21.50	91.94	63.99109	69.87653
Pierce Twp./Amelia Corp.	57.79	9.95	2.70	17.90	88.34	63.50771	67.76056
Union Township	57.79	9.95	2.70	23.45	93.89	61.98809	68.46248

* "Other" includes any taxes levied for cities, villages, and/or townships; levies for 911 services; fire district levies; health and mental health levies; park preservation levies; library levies; and any other miscellaneous levies.

Source: Ohio Department of Taxation

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State Reimbursement of Property Tax Revenues

Rollback and Homestead Exemption Reimbursement

The State reimburses taxing districts, including school districts, for decreased tax revenues due to (a) the 10% reduction or "rollback" in certain non-commercial property taxes, (b) the 2-1/2% reduction applicable to certain owner-occupied housing, and (c) the flat, \$25,000 reduction in taxable value applicable to certain elderly or disabled homeowners. Such reimbursements are subject to repeal or revision by the State.

Such reimbursements are subject to repeal or revisions by the State. (See "SCHOOL DISTRICT PROPERTY TAX BASE – Property Tax Rate Calculations" for a discussion of reimbursement by the State for these reductions.)

Public Utility Property and Tangible Personal Property Tax Loss Reimbursement

In tax year 2001, changes took effect which reduced the assessment percentages applicable to electric generation and natural gas tangible personal property, thereby reducing the amount of tangible public utility property tax revenue collected by taxing districts. In order to replace the taxes no longer received due to the lower assessment percentages, State consumption taxes on electricity and natural gas were enacted in 1999 and 2000, respectively.

Beginning in 2006, the State began to phase out the tax on tangible personal property used in business. The State also reimburses certain taxing districts for the loss of tax revenues due to the phase-out of the tax on general business tangible personal property, and on the tangible personal property belonging to telephone, telegraph, and interexchange companies. In order to replace a portion of the lost revenue, a commercial activity tax was enacted in 2005 and is imposed on gross receipts, including receipts from services, in the State.

The reimbursement of both types of tangible personal property tax revenue losses were scheduled to phase out by calendar year 2018. Instead, recent legislation generally accelerates the phase-out and reduces payments, depending on the type of levy.

For fixed-rate levies, the reimbursement amounts for fiscal year 2011 are compared to the "total resources" of a school district. "Total resources" includes fiscal year 2010 State aid; fiscal year 2010 reimbursement for current expense fixed-rate levy losses; the average current expense real and public utility taxes payable for tax years 2008 and 2009; the school district's fiscal year 2009 receipts from a school district income tax levied for current expenses; and receipts during calendar year 2009 from a municipal income tax levied for municipal and school district purposes.

If a school district's reimbursement payments are less than the threshold percentage of total resources for a year, then no further reimbursement is made. If the reimbursement payments exceed the threshold percentage, then the school district receives the amount in excess of the percentage. For fiscal year 2012, the threshold amount is 2%; for fiscal years 2013 and thereafter, the threshold percentage is 4%. Any reimbursement for 2013 will continue indefinitely.

For fixed sum and unvoted debt levy losses, amounts will continue to be reimbursed (less the amount attributed to one-half mill) so long as the levy continues to be imposed for fixed-sum levy purposes, and so long as the levy continues to be imposed for debt purposes until 2018, in the case of unvoted debt levies. Fixed rate levies for purposes other than current expenses are reduced by 25% over reimbursement levels for fiscal year 2010 for fiscal year 2012, and are reduced by 50% for fiscal years 2013 and thereafter.

For additional information prepared by the Ohio Department of Taxation to illustrate the amount of reimbursements for future years, go to http://www.tax.ohio.gov/personal_property/phaseout.aspx and http://www.tax.ohio.gov/public_utility_property/dereg.aspx.

OTHER SOURCES OF SCHOOL DISTRICT FUNDING

School Foundation Program

The State assists public school districts under a statutory program that includes the School Foundation Program.¹ School Foundation Program funds distributed to a school district are required to be used for current operating expenses, unless specifically allocated by the State for some other purpose. State reimbursement of property tax losses paid to school districts will be reduced by any increase in School Foundation Program receipts. (See "SCHOOL DISTRICT PROPERTY TAX BASE – State Reimbursement of Property Tax Revenues.")

Basic eligibility for School Foundation Program payments is based on a school district's compliance with State-mandated minimum standards. The School District is in compliance with those standards and has no reason to believe it will not remain in compliance.

The State also assists school districts by funding the School District Solvency Assistance Fund (the "Solvency Fund"). Created within the Solvency Fund are the School District Shared Resource Account and the Catastrophic Expenditures Account. A school district must be in a state of "fiscal emergency" to qualify for assistance and grants from the School District Shared Resource Account. A school district may qualify for assistance and grants from the Catastrophic Expenditures Account if the school district suffers an unforeseen catastrophic event that severely depletes the financial resources of the school district. School districts receiving assistance and grants from the Solvency Fund are required to repay such advances no later than the end of the second fiscal year following the fiscal year in which they received the assistance and grants, and if they fail to do so, the State will repay the Fund from amounts the school district would otherwise receive pursuant to the School Foundation Program. The School District does not have any outstanding advances from the Solvency Fund. The Solvency Fund, with the exception of the Catastrophic Expenditures Account, evolved from statutes declared unconstitutional in DeRolph. (See "LITIGATION – School Funding Litigation.")

State Classroom Facilities Assistance

The Ohio School Facilities Commission (the "Commission"), a division of the Ohio Facilities Construction Commission, was created in 1997 to administer the provision of financial assistance to Ohio school districts for the acquisition or construction of classroom facilities in accordance with Revised Code Chapter 3318. Revised Code Chapter 3318 provides for several different school facilities assistance programs involving financial assistance from the State. These programs include the Classroom Facilities Assistance Program, the Exceptional Needs School Facilities Assistance Program, and the Expedited

¹ The Supreme Court of Ohio has declared the School Foundation Program unconstitutional. See "LITIGATION - School Funding Litigation."

Local Partnership Program. Each of these programs provides State funding for all or a portion of qualifying school facilities projects based on financial tests, inadequate facilities, or a combination of the two. Participation in these programs also requires a school district to commit to adhere to Commission requirements for project construction.

The School District does not currently participate in any of the school facilities assistance programs.

School District Income Tax

Under Ohio law, a school district, with the approval of the voters, may impose an income tax for the purpose of providing additional funds for the operation of the school district. The tax may be imposed upon the income of individuals residing in the school district and estates of decedents who at the time of their death were residents of the school district; or solely upon the earned income of individuals residing in the school district. Such selection must be made by the board of education prior to submission of the question of an income tax to the board of elections and be clearly stated on the election ballot. The tax may be imposed either for a specified number of years or for a continuing period of time. If the tax is imposed for a period in excess of five years, the voters of the school district may, by majority vote, repeal the tax, provided that a proposal to repeal the tax may not be initiated more than once in any five-year period.

While the School District does not currently levy an income tax on its residents, this form of funding remains available to the School District. The Board does not, however, anticipate asking voters to approve an income tax in the near future.

Gross Casino Revenue Tax

In 2013, Ohio public school districts began receiving a share of the gross casino revenue tax (the "Casino Tax"). The Casino Tax will be distributed twice a year in proportion to each county's respective public school district student population. The Tax Commissioner, acting as an agent for the counties, will calculate and make payments directly to public school districts based on the student population of each county and the student population of each public school district located in whole or in part in the county. According to the Ohio Department of Taxation, the School District received \$434,285 in Casino Tax revenues for fiscal year 2014.

SCHOOL DISTRICT DEBT AND DEBT LIMITATIONS

Statutory Debt Limitations Generally

The School District may issue voted general obligation bonds and notes issued in anticipation thereof, pursuant to a vote of the electors of the School District. Ad valorem taxes, without limitation as to amount or rate, assessed to pay debt service on voted bonds are authorized by the electors at the same time they authorize issuance of the bonds. Such voted debt is subject to the direct debt limitations but is not subject to the indirect debt limitation. Voted obligations may also be issued by certain overlapping subdivisions.

General obligation bonds and notes issued in anticipation thereof, may also be issued by the School District (and certain overlapping political subdivisions, such as the County) without a vote of the electors. Unvoted debt is subject to both the direct and indirect debt limitations.

A political subdivision's debt limitations are based on its "tax valuation," which is the aggregate of the valuations of real property, personal property, and public utility property that is subject to ad valorem property taxation. For school districts, tax valuation is calculated in accordance with Revised Code Section 133.01(PP) and excludes the valuation of tangible personal property used in business, telephone or telegraph property, interchange telecommunications company property, or personal property owned or leased by a railroad company and used in railroad operations.

Direct Debt Limitations

Revised Code Section 133.06 provides that, exclusive of certain "exempt debt" (discussed below), the net principal amount of unvoted general obligation debt of a school district may not exceed the following percentages of a School District's tax valuation: (a) for permanent improvements generally, one-tenth of one percent (0.10%); and (b) for qualified energy conservation projects under Revised Code Section 133.06, nine-tenths of one percent (0.90%). Revised Code Section 133.06 also provides that the net principal amount of both voted and unvoted general obligation debt of the School District may not exceed 9% of a school district's tax valuation, except in the specific situations discussed below. These two limitations, referred to as "the direct debt limitations," may be amended from time to time by the State.

State Consents and Special Needs Status

Revised Code Section 133.06 further provides that bonds shall not be submitted to popular vote in an amount which will make the net indebtedness after the issuance of such bonds exceed 4% of a school district's tax valuation, unless the school district obtains the consent of the State Superintendent (acting under policies adopted by the State Board of Education) and the Tax Commissioner (acting under written policies of said Tax Commissioner). Revised Code Section 133.06(I) permits school districts to incur net indebtedness in excess of the 4% consent or 9% limitation under certain circumstances when the bonds are issued in connection with a Commission project.

Revised Code Section 133.06(E) permits a school district to incur indebtedness in excess of the 9% direct debt limitation if, based on five-year projections showing annual property value growth of 1.5% or more, the State Superintendent determines that such school district is a "special needs" district.

A school district which has been approved as a special needs district may incur indebtedness in an amount not exceeding an amount equal to the greater of the following:

- (a) 12% of the sum of its tax valuation plus an amount that is the product of multiplying that tax valuation by the percentage by which the tax valuation has increased over the tax valuation on the first day of the sixtieth month preceding the month in which its board determines to submit to the electors the question of issuing the proposed securities; or
- (b) 12% of the sum of its tax valuation plus an amount that is the product of multiplying that tax valuation by the percentage, determined by the State Superintendent, by which that tax valuation is projected to increase during the next ten years.

In order to become a special needs district, the board of education of a school district must pass a resolution stating that the student population is not adequately served by existing facilities, that insufficient capacity exists within the 9% limit to finance additional facilities, and that special needs classification is required.

A detailed application including a history of the extent of growth in the tax valuation of the School District is then submitted to the State Superintendent, who, upon finding that projected growth of the tax valuation during the next five years is likely to exceed 1.5% per year, may determine that the School District is an approved special needs district. This determination is conclusive. The State Superintendent has not determined that the School District is a special needs district.

Exempt Debt

The Revised Code provides that certain debt a school district may issue is exempt from direct debt limitations ("exempt debt"). Exempt debt includes, among other things, bonds payable from school district income taxes under Revised Code Section 3318.052(E); notes issued in anticipation of the collection of current revenues; notes issued for qualified energy savings projects under Revised Code Section 3313.372; and certain bonds issued for school construction purposes following declaration of an emergency. Notes issued in anticipation of "exempt" bonds also are exempt debt. In calculating debt subject to the direct debt limitations, the amount of money in a school district's bond retirement fund allocable to the principal amount of non-exempt debt is deducted from gross non-exempt debt.

Indirect Debt Limitation

Unvoted general obligation bonds and bond anticipation notes cannot be issued by the School District unless the tax required to be imposed on taxable property in the School District for the payment of the debt service on (a) such bonds (or the bonds in anticipation of which notes are issued), and (b) all outstanding unvoted general obligation bonds (including bonds in anticipation of which notes are issued) of the combination of overlapping taxing subdivisions in the School District resulting in the highest tax rate required for such debt service, in any one year, is ten mills or less per \$1.00 of assessed valuation. This indirect debt limitation, the product of which is commonly referred to as the "ten-mill limitation," is imposed by a combination of the provisions of Article XII, Sections 2 and 11 of the Ohio Constitution and Revised Code Section 5705.02.

The ten-mill limitation is the maximum aggregate millage for all purposes that may be levied on any single piece of property by all overlapping taxing subdivisions without a vote of the electors. The ten mills which may be levied without a vote of the electors is in fact levied, collected and allocated among the School District and its overlapping taxing subdivisions for general fund purposes pursuant to a statutory formula.

This "inside" millage allocated to each overlapping taxing subdivision is required by current 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. The balance of the millage is available for other purposes of the subdivision. Thus, to the extent that this inside millage is required for debt service of a taxing subdivision (which may exceed the formula allocation to that subdivision), the amount that would otherwise be available to that subdivision or to other such overlapping subdivisions for general fund purposes is reduced.

A subdivision's allocation of inside millage can be exceeded only in the event that it is required for the payment of debt service on its unvoted general obligation debt and, in that case, the inside millage allocated to the other overlapping subdivisions would be reduced proportionally to bring the aggregate levies of inside millage down to ten mills.

In case of notes issued in anticipation of the issuance of unvoted general obligation bonds, the highest annual debt service estimated for the bonds anticipated by the notes is used to calculate the millage required.

The ten-mill limitation applies to all unvoted general obligation debt even if debt service on some of such debt is expected to be paid in fact from special assessments, income taxes, utility earnings or other sources.

In calculating whether or not unvoted debt to be issued by the School District is within the ten-mill limitation, it is necessary to determine the total outstanding debt service requirements within the ten-mill limitation of all the taxing subdivisions overlapping the School District.

Bond Anticipation Notes

Under Ohio law, notes, including renewal notes, issued in anticipation of the issuance of general obligation bonds 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, principal maturities that would have been required if bonds had been issued at the expiration of the initial five-year period. The last maturity of any bonds issued to refund general obligation bond anticipation notes may not be later than the year of last maturity permitted by law for the bonds anticipated.

Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes, the proceeds of the sale of the bonds anticipated by such notes, from other available funds of the School District, or from a combination of these sources.

The ability of the School District to retire its outstanding bond anticipation notes from the proceeds of the sale of either renewal notes or bonds will be dependent upon the marketability of such renewal notes or bonds under market conditions then prevailing. Under present Ohio law, there is no ceiling on the annual interest rate permitted on general obligation notes and bonds of school districts.

None of the debt of the School District is currently in the form of general obligation bond anticipation notes.

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School District Debt Currently Outstanding

The School District has the following issues of bonds and notes outstanding:

Outstanding Debt West Clermont Local School District

Issue	Dated Date	Final Maturity	Balance Outstanding October 7, 2015
School Improvement Refunding General Obligation Bonds, Series 2002	10/09/2002	12/01/2015	\$75,000.00
School Improvement General Obligation Bonds, Series 2008	06/05/2008	12/01/2036	25,830,000.00
School Improvement Unlimited Tax General Obligation Refunding Bonds, Series 2013	03/20/2013	12/01/2019	3,740,000.00
Total			\$29,645,000.00

Source: West Clermont Local School District

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Debt Service Requirements

The following schedule presents the School District's actual debt service requirements for debt currently outstanding:

Debt Service Requirements			
West Clermont Local School District			
Calendar Year	Outstanding Obligations		Total
	Principal	Interest	Debt Service
2015	\$ 780,000.00	\$ 671,238.25	\$1,451,238.25
2016	1,575,000.00	1,279,387.50	2,854,387.50
2017	1,655,000.00	1,218,225.00	2,873,225.00
2018	1,775,000.00	1,153,937.50	2,928,937.50
2019	1,870,000.00	1,082,937.50	2,952,937.50
2020	875,000.00	1,020,987.50	1,895,987.50
2021	920,000.00	1,001,300.00	1,921,300.00
2022	955,000.00	953,000.00	1,908,000.00
2023	1,000,000.00	902,862.50	1,902,862.50
2024	1,100,000.00	850,362.50	1,950,362.50
2025	1,205,000.00	800,862.50	2,005,862.50
2026	1,240,000.00	743,625.00	1,983,625.00
2027	1,265,000.00	684,725.00	1,949,725.00
2028	1,290,000.00	624,637.50	1,914,637.50
2029	1,295,000.00	563,362.50	1,858,362.50
2030	1,350,000.00	501,850.00	1,851,850.00
2031	1,415,000.00	434,350.00	1,849,350.00
2032	1,460,000.00	363,600.00	1,823,600.00
2033	1,540,000.00	297,900.00	1,837,900.00
2034	1,620,000.00	228,600.00	1,848,600.00
2035	1,675,000.00	155,700.00	1,830,700.00
2036	1,785,000.00	80,325.00	1,865,325.00
Total	\$29,645,000.00	\$15,613,775.75	\$45,258,775.75

Source: West Clermont Local School District; Ohio Municipal Advisory Council

The School District is not and has not been in default in the payment of debt service on any of its general obligation bonds or notes.

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Overlapping Subdivision Indebtedness

In addition to the School District, other political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the School District. The estimated outstanding bonded indebtedness of such political subdivisions (excluding self-supporting debt and debt payable primarily from enterprise revenues or special assessments) is as follows:

Overlapping Debt West Clermont Local School District

Overlapping Units	Estimated Outstanding Debt	Percent Applicable to School District	Estimated Amount of Overlapping Debt
Clermont County	\$240,000	29.41%	\$70,584
Village of Amelia	1,175,000	100.00	1,175,000
Batavia Township	705,000	48.73	343,547
Union Township	30,650,000	87.19	26,723,735
Great Oaks Career Center JVSD	12,985,000	6.87	892,070
Total			\$29,204,936

Source: Ohio Municipal Advisory Council. Data as of July 9, 2015.

The following table shows the per capita debt of the residents in the School District based upon the 2010 U.S. Bureau of the Census estimate of 68,262 people residing in the School District, the above overlapping indebtedness figures and the School District debt shown above::

Debt Per Capita West Clermont Local School District

School District Debt, per capita	\$434.28
Overlapping Debt, per capita	862.12
Total Debt, per capita	\$1,296.40

Source: Ohio Municipal Advisory Council and West Clermont Local School District calculations

Debt Capacity Analysis

The following table provides an analysis of the School District's debt capacity as of October 7, 2015. The School District's tax valuation is calculated in accordance with Revised Code Section 133.01(PP) and is based on collection year 2014 data provided by the State Department of Taxation.

Debt Capacity West Clermont Local School District

A.	Tax valuation	\$1,252,615,990.00
B.	Total debt	29,645,000.00
C.	Exempt debt	0.00
D.	Total non-exempt debt (B minus C)	29,645,000.00
E.	1/10 of 1% direct debt limitation (1/10 of 1% of tax valuation)	1,252,615.99
F.	Total limited tax non-exempt bonds and notes outstanding (not including Revised Code Section 133.06(G) debt)	0.00
G.	Debt leeway within 1/10 of 1% unvoted debt limitation, but subject to indirect debt limitation (E minus F)	1,252,615.99
H.	9/10 of 1% direct debt limitation (Section 133.06(G) debt) (9/10 of 1% of tax valuation)	11,273,543.91
I.	Total Revised Code Section 133.06(G) debt	0.00
J.	Debt leeway within 9/10 of 1% unvoted debt limitation, but subject to indirect debt limitation (H minus I)	11,273,543.91
K.	9% direct debt limitation	112,735,439.10
L.	Debt leeway within the 9% direct debt limitation (K minus D) ¹	83,090,439.10

¹ Debt leeway calculated without reference to applicable moneys in the School District's bond retirement fund.
Source: Ohio Department of Taxation and West Clermont School District calculations

Lease Obligations

Under Ohio law, school districts have only the authority to lease or lease purchase any capital asset that is expressly granted by statute or necessarily implied from expressly granted authority. Express statutory authority exists for true leases (i.e., leases where no portion of the lease payment is applied toward the purchase of the capital asset) or lease-purchase or installment sale arrangements for the following: land, office equipment, school buses, administrative office facilities and buildings for any school district purpose. Except in cases where lease-purchase or installment sale arrangements include certain provisions providing that the obligations under such agreement may be terminated at the end of a fiscal year (e.g., a requirement of annual appropriation in order to extend the lease term beyond the current fiscal year), such agreements would constitute "debt" for purposes of the indirect debt limitation and the statutory direct debt limitations discussed more fully herein (see "SCHOOL DISTRICT DEBT AND DEBT LIMITATIONS - Statutory Debt Limitations Generally").

The School District currently leases office equipment from Prosource under a lease which began in 2014 and expires on December 20, 2018. The School District owes a minimum of \$340,598 in lease payments over the remaining term of the lease. In addition, the School District has a renovations lease with the Rickenbacker Port Authority which began in 2004 and expires on January 1, 2019. The School District owes a minimum of \$318,000 in lease payments over the remaining term of the lease, which represents payments of interest due monthly over the term of the lease and payments of principal due on January 1 of each year during the term of the lease.

Future Financings

At this time, the School District has no plans to issue additional debt during the next five years.

FINANCES OF THE SCHOOL DISTRICT

Budgeting, Tax Levy and Appropriations Procedures

The Revised Code contains detailed provisions regarding School District budgeting, tax levy and appropriation procedures. These procedures involve review by County officials at several steps.

School District budgeting for a fiscal year formally begins with the preparation of a tax budget or alternative document as determined by the County Budget Commission (the "Budget Commission"), comprised of the County Auditor, County Treasurer and Prosecuting Attorney of the County. After a public hearing, this budget is adopted by the Board by the January 15th prior to the fiscal year to which it pertains. Among other items, the tax budget must show the amounts required for debt service, the estimated receipts for payment from sources other than ad valorem property taxes and the net amount for which an ad valorem property tax levy must be made. The tax budget then is presented for review by the Budget Commission. The Budget Commission holds a public hearing to review the budget, and issues, by March 1st, the Certificate of Estimated Resources which is the basis for School District appropriations and expenditures for the coming fiscal year.

Upon approval of the tax budget and issuance of the Certificate of Estimated Resources, the Budget Commission certifies its actions to the Board together with the approved tax rates. Thereafter, the Board levies the approved taxes and certifies them to the proper County officials. The approved and certified tax rates are reflected in the tax bills sent to property owners during the collection year. Real property taxes are payable on a calendar year basis, generally in two installments with the first due usually in January and the second due in June or later.

At the start of each fiscal year, the Board adopts a temporary appropriation measure to begin that new fiscal year and then, within three months, a permanent appropriation measure for that fiscal year. Permanent appropriation measures may be amended or supplemented during the fiscal year. Annual appropriations may not exceed the Budget Commission's official estimates of resources. The County Auditor must certify that the Board's appropriation measures, including any supplements or amendments, do not appropriate moneys in excess of the amount set forth in the latest of those official estimates.

The County serves as tax collector for the School District. Investments and deposits of County funds are governed by Revised Code Chapter 135 (the "Uniform Depository Act"). The County Treasurer is responsible for those investments and deposits. The County's most recent audited financials contain a recitation of the County's current investment practices and can be obtained at the Ohio Auditor of State website: <https://ohioauditor.gov>.

Financial Reports and Audits

The School District's fiscal year is the twelve-month period beginning July 1 and ending June 30. The Board maintains its accounts, appropriations and other fiscal records on the basis of generally accepted accounting principles ("GAAP").

The State Auditor is charged by law with the responsibility for auditing the financial statements of each taxing subdivision and most public agencies and institutions. A financial report for each fiscal year is required to be filed with the State Auditor pursuant to Revised Code Section 117.38. Such reports are required to be submitted to the State Auditor at the close of each fiscal year. At the time of filing of such report, the Treasurer is required to publish a notice that the report is completed and available for review in the Treasurer's office.

The most recent audit of the School District's financial statements by the State Auditor was completed through the fiscal year ending June 30, 2014 and was reviewed by the Board's administrative staff. The State Auditor did not make any citations, require any adjustments, or make any findings for recovery. The State Auditor made management recommendations pertaining to obtaining purchase order approval before making expenditures, ensuring that expenditures do not exceed appropriations, and securing Board approval before establishing new funds. The School District has implemented necessary measures to prevent any such error in the future. No bring-down procedures have been undertaken by the State Auditor since the date of the financial statements. The audited Financial Statements for the Fiscal Year Ended June 30, 2014 are attached hereto as APPENDIX B.

Governmental Accounting Standards Board pronouncements and Financial Accounting Standards Board pronouncements are the principal sources used to determine the accounting principles employed under GAAP. These publications, among other things, provide for a modified accrual basis of accounting for governmental funds and for a full accrual basis of accounting for proprietary funds and for each major and aggregated non-major fiduciary fund. The publications also further provide for the preparation of balance sheets for each major and non-major fund, and statements of revenues and expenditures, and changes in fund balances (major and aggregated non-major governmental funds) or statements of revenues, expenses and changes in retained earnings/equity (major and aggregated non-major proprietary funds) and statement of cash flows. The principles further require preparation of a statement of net assets and a statement of activities for the entity's business type and government type activities on the full accrual basis of accounting, and management's discussion and analysis of major events and transactions during the year.

Five-Year Projection

Boards of education are required to submit a five-year projection of operational revenues and expenditures (commonly known as the "five-year forecast") according to Department rules. Pursuant to such rules, the Department reviews the School District's five-year projection to determine if the School District has projected a deficit during the first three years of the five-year projection period. If the Department determines that further fiscal analysis is needed, the Department must forward the projection to the State Auditor, who will determine if the School District must be formally notified of a pending projected deficit. The School District must then take steps to eliminate any deficit in the current year and to plan to avoid projected deficits. The District's five-year projection was last updated on the Ohio Department of Education website on July 16, 2015, a copy of which is attached hereto as APPENDIX C.

Deficit projections arising from the "five-year forecast" may have the effect of triggering certain fiscal oversight mechanisms created under State law.

Fiscal Oversight System

The State has created a fiscal oversight system designed to ensure the financial stability of public school districts so that they can continue to perform the vital governmental mission of educating children while meeting their ongoing obligations to creditors, employees, vendors and suppliers. Under this fiscal oversight system, a school district may be declared to be in a state of "fiscal caution," "fiscal watch," or "fiscal emergency" based on certain triggering criteria established by law. These triggering criteria relate primarily to the size of the school district's current and projected operating deficits, but also include an evaluation of the school district's financial practices and its effectiveness in taking the necessary corrective measures. Increasing levels of intervention and control are imposed with each successive determination, culminating (at the "fiscal emergency" level) in the creation of an independent governing board for the school district. This independent governing board, the Financial Planning and Supervision Commission ("FPSC"), is vested with extraordinary powers, including the power to remove the superintendent and/or the treasurer and to implement staff reductions which would otherwise violate existing collective bargaining agreements. The State Auditor may conduct a performance audit of a school district in fiscal caution, fiscal watch, or fiscal emergency at any time.¹

The School District is not subject to a declaration of fiscal caution, fiscal watch, or fiscal emergency, and is not subject to any directives from the State Auditor, the State Superintendent, or the FPSC arising from any prior declaration.

General Fund Operations

The General Fund is the main operating fund of the School District. It is the fund from which most of the School District's expenditures are paid and into which most of the School District's revenues are deposited. The School District derives most of its revenues from a tax on real and tangible personal property and from State aid, including the School Foundation Program. (See "OTHER SOURCES OF SCHOOL DISTRICT FUNDING – School Foundation Program.")

¹ For more information about the criteria the State Auditor and State Superintendent use to determine whether a school district should be placed on fiscal caution, fiscal watch, or fiscal emergency, please visit the State Auditor's website at <https://ohioauditor.gov/fiscal/schools.html>.

General Fund Set-Aside

Ohio school districts are required to establish the following set-aside within their General Fund:

Fund	Source and Amount of Balance	Purpose
Capital and Maintenance Fund ¹	3% ² of general fund revenues ³ using the state base-cost formula amount for the preceding fiscal year multiplied by the School District's student population for the preceding fiscal year	Acquisition, replacement, enhancement, maintenance, or repair of permanent improvements

¹ A school district may elect to set aside funds pursuant to previous law by notifying the State Auditor within 90 days of the beginning of the fiscal year of such election.

² A different percentage requirement may be set by the State Auditor.

³ A school district may elect to set aside funds from the proceeds of a permanent improvement levy instead of diverting funds from the general fund to meet this requirement.

Any balance remaining in the above funds at the end of the current fiscal year is carried over to the next fiscal year.

Investment of Funds

According to the Treasurer, all moneys of the School District, specifically moneys in the general fund, the bond retirement fund, and all project funds containing proceeds of any debt issuances of the School District, are presently or will be invested in accordance with the requirements of Ohio law, and in particular the Uniform Depository Act. Under Revised Code Section 135.14, the School District may invest its funds, provided that such investments generally must mature or be redeemable within five years from the date of purchase. The classifications of obligations which are eligible for such investment by the School District range from investment in the State Treasury Asset Reserve of Ohio investment pool ("STAR Ohio") to investment in United States Treasury bills, commercial paper, certificates of deposit and bankers acceptances. Certain investment practices remain exclusive to those school districts whose fiscal officers have completed additional training in accordance with the Uniform Depository Act.

Further, pursuant to Revised Code Section 135.14, all investments of the School District, except for investments in securities in STAR Ohio and certain no-load money market mutual funds, must be made through members of the National Association of Securities Dealers, Inc., banks, savings banks, or savings and loan associations regulated by the State superintendent of financial institutions or through institutions regulated by the comptroller of the currency, Federal Deposit Insurance Corporation, or board of governors of the Federal Reserve System.

The School District interprets the limits on Federal guaranteed investments, bankers' acceptances, commercial paper and all other legal investments very conservatively. No moneys of the School District have ever been invested in interest-only obligations, reverse-repurchase obligations, inverse floater obligations, or other investment vehicles commonly referred to as derivative investments. No moneys of the School District are invested in obligations which mature later than the time at which it is reasonably expected that the School District will need access to such moneys in order to meet current financial commitments. The Treasurer has attended special training in all of the investment areas to assure strict compliance with the strictly conservative investment philosophy of the School District. All investments are transacted with banks or other financial institutions operating in the State. Complete detail of the current investment practices of the School District can be found in the most recent audited financial statements of the School District (see APPENDIX B attached to the Official Statement).

School District Insurance

The School District currently contracts for general liability insurance, property and vehicle liability coverage, and employee benefit liability coverage. General liability insurance has coverage of \$1,000,000 single occurrence limit. Property insurance is comprised of the following components: (1) building contents-replacement coverage of \$122,441,755 (\$5,000 deductible), (2) inland marine coverage of \$2,227,720 (\$1,000 deductible), (3) boiler and machinery coverage of \$13,800,000 (\$1,000 deductible), and (4) earthquake coverage of \$5,000,000 (\$2,500 deductible). Vehicle liability coverage is in the amount of \$2,000,000 (\$2,500 deductible). The employee benefit liability coverage has a single occurrence limit of \$1,000,000. The Superintendent, Treasurer and Board President are all bonded separately. Settled claims have not exceeded this coverage in any of the past three years. There have been no significant reductions in insurance coverage from last year.

Ohio law provides immunity for political subdivisions such as the School District from liability in damages. The immunity covers 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. Included among such governmental functions are the design, construction, reconstruction, renovation, repair, maintenance, and operation of any school athletic facility, school auditorium, or gymnasium. 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 by employees engaged within the scope of their employment and authority; negligent performance of proprietary functions; negligent failure to keep public roads in repair, and other negligent failure to remove obstructions from public roads; negligence of employees due to physical defects 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.

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APPENDIX B

Audited Financial Statements for the School District for Fiscal Year Ended June 30, 2014

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

West Clermont Local School District
Clermont County
4350 Aicholtz Road, Suite 220
Cincinnati, Ohio 45245

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Clermont Local School District, Clermont County, Ohio, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise West Clermont Local 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 accounting principles generally accepted in the United States of America; this includes 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 West Clermont Local 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 West Clermont Local 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of West Clermont Local School District, Clermont County, Ohio, as of June 30, 2014, and the respective changes in financial position thereof and the budgetary comparison for the General fund thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 22, the West Clermont Local School District's net position and fund balances at June 30, 2013 have been restated due to an overstatement of the West Clermont Local School District's intergovernmental receivables. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on West Clermont Local School District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

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

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2014, on our consideration of West Clermont Local 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 West Clermont Local School District's internal control over financial reporting and compliance.



Julian & Grube, Inc.
December 22, 2014

**WEST CLERMONT LOCAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2014
(Unaudited)**

The discussion and analysis of West Clermont Local School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

Financial Highlights

Key financial highlights for 2014 are as follows:

- Net position for governmental activities totaled \$35,770,033. Net position of governmental activities increased \$10,994,002 from 2013.
- General revenues accounted for \$78,582,811 in revenue or 91% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$8,019,215 or 9% of total revenues of \$86,602,026.
- The District had \$75,608,024 in expenses related to governmental activities; \$8,019,215 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues of \$78,582,811 were also used to provide for these programs.
- All governmental funds had total revenues of \$86,269,507. All governmental funds had total expenditures of \$76,832,374. The net change in fund balances for the year was a increase of \$9,916,874.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. The General Fund, Bond Retirement Fund and the Permanent Improvement Fund are the major funds of the District.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, “How did we do financially during 2014?” The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include *all assets* and *liabilities* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the District’s *net position* and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include the District’s property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the *Statement of Net Position* and the *Statement of Activities*, the overall financial position of the District is presented in the following manner:

- Governmental Activities – Most of the District’s programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Reporting the District’s Most Significant Funds

Fund Financial Statements

The analysis of the District’s major funds is presented in the Fund Financial Statements (see Table of Contents). Fund financial reports provide detailed information about the District’s major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District’s most significant funds.

Governmental Funds Most of the District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the *Statement of Net Position* and the *Statement of Activities*) and governmental *funds* is reconciled in the financial statements.

The District as a Whole

Recall that the *Statement of Net Position* provides the perspective of the District as a whole.

Table 1 provides a summary of the District's net position for 2014 compared to 2013:

Table 1
Net Position

	Governmental Activities	
	2013, as restated	2014
Assets		
Current and other assets	\$61,852,230	\$64,434,421
Capital assets, net	49,107,830	49,216,246
Total Assets	110,960,060	113,650,667
Liabilities		
Current & other liabilities	8,521,702	7,627,046
Long-term liabilities	38,556,559	37,475,020
Total Liabilities	47,078,261	45,102,066
Deferred Inflows of Resources	39,105,768	32,778,568
Net Position		
Investment in capital assets	12,986,534	15,518,103
Restricted	14,031,972	13,854,504
Unrestricted	(2,242,475)	6,397,426
Total Net Position	\$24,776,031	\$35,770,033

Total assets increased \$2,690,607. Equity in pooled cash and investments increased \$3,080,307. Total liabilities decreased \$1,976,195 primarily due to decrease in long-term debt of \$1,081,539. In 2013, more property tax advances were available to the District than at June 30, 2014 which resulted in the material decrease in deferred inflows of resources.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2014, the District's assets exceeded liabilities and deferred inflows of resources by \$35,770,033.

At year-end, capital assets represented 43% of total assets. Capital assets include land, land improvements, buildings and improvements, vehicles, and equipment. Investment in capital assets at June 30, 2014, was \$15,518,103. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$13,854,504, represents resources that are subject to external restriction on how they must be used. The restricted net position includes amounts restricted for Debt Service, Capital Outlay and Other Purposes. The external restriction will not affect the availability of fund resources for future use. The District has \$6,397,426 in unrestricted net position at fiscal year-end.

Table 2 shows the change in net position for fiscal year 2014 with comparisons to fiscal year 2013.

Table 2
Changes in Net Position

	<u>2013, as restated</u>	<u>2014</u>
Revenues		
Program Revenues:		
Charges for services and sales	\$3,313,007	\$2,839,749
Operating grants and contributions	6,527,859	5,179,466
General Revenues:		
Property taxes	42,047,917	45,514,368
Grants and entitlements	28,695,132	31,817,746
Other revenues	1,058,821	1,250,697
Total Revenues	<u>81,642,736</u>	<u>86,602,026</u>
Program Expenses		
Instruction	47,525,539	45,234,169
Support services:		
Pupil and instructional staff	6,811,585	8,440,128
Administration	7,145,819	6,211,224
Operations & maintenance	5,159,932	5,488,020
Pupil transportation	4,602,735	5,268,907
Central	419,740	0
Operation of Non-Instructional Services	2,758,490	2,311,229
Extracurricular activities	1,650,510	653,112
Interest and fiscal charges	1,625,068	2,001,235
Total Expenses	<u>77,699,418</u>	<u>75,608,024</u>
Change in Net Position	<u>3,943,318</u>	<u>10,994,002</u>
Net Position beginning of year	<u>20,832,713</u>	<u>24,776,031</u>
Net Position end of year	<u>\$24,776,031</u>	<u>\$35,770,033</u>

Of the total governmental activities revenues of \$86,602,026, \$8,019,215 is from program revenue. This means that the government relies on general revenues to fund the majority of the cost of services provided to the citizens. Of those general revenues, \$45,514,368 (58%) comes from property tax levies and \$31,817,746 (40%) is from state funding. This District's operations are reliant upon its property tax levy and the state's foundation program.

Net position increased \$10,994,002 which was primarily due to increases in property tax revenues due to the timing of collection of second half taxes which increased the taxes available for by over \$3 million. There was a decrease in operating grants due to a decrease in federal grants available. Budget reductions and operating efficiencies resulted in decreased expenses in instruction, administration, central, non-instructional and extracurricular activities expenses.

Governmental Activities

The District revenues are mainly from two sources. Property taxes levied for general purposes and grants and entitlements comprised 80% of the District's revenues for governmental activities.

The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00. Thus Ohio districts do not receive additional property taxes related to increases in appraised values and must regularly return to the voters to maintain a constant level of service. Property taxes levied for general purposes made up 44% of revenue for governmental activities for the District in fiscal year 2014.

Instruction comprises 60% of governmental program expenses. Support services expenses were 34% of governmental program expenses. All other expenses and interest expense was 6%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Changes in Net Position

	Total Cost of Services		Net Cost of Services	
	2013	2014	2013	2014
Instruction	\$47,525,539	\$45,234,169	(\$42,193,021)	(\$40,392,079)
Support services:				
Pupil and instructional staff	6,811,585	8,440,128	(6,050,484)	(8,096,324)
Administration	7,145,819	6,211,224	(6,858,317)	(6,119,536)
Operations & maintenance	5,159,932	5,488,020	(5,025,547)	(5,375,124)
Pupil transportation	4,602,735	5,268,907	(4,602,735)	(5,268,907)
Central	419,740	0	(384,369)	0
Operation of				
Non-Instructional Services	2,758,490	2,311,229	(203,392)	(89,347)
Extracurricular activities	1,650,510	653,112	(915,619)	(246,257)
Interest and fiscal charges	1,625,068	2,001,235	(1,625,068)	(2,001,235)
Total Expenses	\$77,699,418	\$75,608,024	(\$67,858,552)	(\$67,588,809)

The District's Funds

Information about the District's major funds is presented in the Fund Financial Statements (see Table of Contents). These funds are accounted for using the modified accrual basis of accounting. The General Fund had \$70,812,378 in revenues and \$61,891,017 in expenditures. The General Fund's balance at year end was \$10,298,480. The Bond Retirement Fund had \$3,095,319 in revenues and \$2,879,565 in expenditures with a net change in fund balance of \$215,754.

The District General Fund ending balance increased by \$8,767,978. The increase in fund balance can be attributed to several factors. The primary factor was the increase in property tax revenue as the timing of collections has changed, resulting in an increase of taxes available for advance as of June 30, 2014. The Permanent Improvement Fund had \$5,869,480 in revenues and \$5,098,334 in expenditures as of June 30, 2014. The Permanent Improvement Fund ending balance increased by \$1,237,467 as our building projects progressed, but the revenues generated from property taxes and associated revenues exceeded project expenditures during the year.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2014, the District amended its general fund budget; however these amendments were not significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the budget in an attempt to deal with unexpected changes in state revenues.

For the General Fund, budget basis (actual) revenue was \$65,315,533, compared the original budget estimates of \$64,940,447. Of this \$375,086 difference, most was due to slightly higher tax revenues and increased tuition fees from an expanded virtual offering.

The District's ending unobligated cash balance for the General Fund was \$6,998,979.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2014, the District had \$49,216,246 invested in land, buildings and improvements, equipment and vehicles. Table 4 shows fiscal year 2014 balances compared to fiscal year 2013:

Table 4
Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2013	2014
Land	\$4,716,755	\$4,716,755
Buildings & Improvements	41,944,054	40,329,114
Equipment	2,300,995	3,988,385
Vehicles	146,026	181,992
Total Capital Assets	<u>\$49,107,830</u>	<u>\$49,216,246</u>

The increase in capital assets is due to \$2,037,581 in additions, net offset by the recognition of \$1,929,165 in depreciation, net. Detailed information on capital assets can be found in note 8 on page 33.

Debt

At June 30, 2014, the District had \$34,060,646 in bonds and capital leases outstanding, \$3,757,048 due within one year. Table 5 summarizes debt outstanding at year-end.

Table 5
Outstanding Debt, at June 30

	Governmental Activities	
	2013	2014
Bonds Payable:		
School Improvement Refund 2002	\$255,000	\$160,000
Classroom Facilities Bonds 2008	27,155,000	26,505,000
School Improvement Refund 2013	3,740,000	3,740,000
Total Bonds Payable	<u>\$31,150,000</u>	<u>\$30,405,000</u>
Capital Leases Payable	<u>3,475,179</u>	<u>3,655,646</u>
Total Outstanding Debt at Year-End	<u>\$34,625,179</u>	<u>\$34,060,646</u>

The School Improvement Refund 2002, Classroom Facilities Bonds 2008 and School Improvement Refund 2013 were paid out of the Debt Service Fund. The capital leases were paid out of the Capital Projects Fund.

Detailed information relating to the capital leases and debt is presented in the notes to the basic financial statements beginning with note 9 on page 34.

For the Future

Financially, the future of the District is not without challenges. In prior years, reductions in State aid to Ohio schools and the downturn in the real estate market had negatively impacted the District's revenues. This past year saw revenues rebound slightly while still not to the levels of past years. This financial environment requires management to plan carefully and prudently to provide the resources to meet student needs over the next several years. To meet this challenge, the administration and the Board of Education implemented many budget reductions and our District continues to analyze all costs for greater efficiency while being mindful of any negative impact to student services and programs.

All of the District's financial abilities will be needed to meet the challenges of the future. With careful planning and monitoring of the District's finances, the District's management is confident that the District can continue to provide a quality education for our students and provide a secure financial future.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Alana Cropper, Treasurer at West Clermont Local School District, 4350 Aicholtz Road, Suite 220, Cincinnati, Ohio 45245.

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities
ASSETS:	
Equity in pooled cash and investments	\$19,720,882
Receivables:	
Taxes	43,847,234
Accounts	190,905
Intergovernmental	626,854
Materials and supplies inventory	48,546
Nondepreciable capital assets	4,716,755
Depreciable capital assets, net	44,499,491
TOTAL ASSETS	\$113,650,667
LIABILITIES:	
Accounts payable	\$618,232
Accrued wages and benefits	5,785,021
Intergovernmental payable	986,627
Accrued interest payable	237,166
Long-term liabilities:	
Due within one year	5,424,101
Due within more than one year	32,050,919
TOTAL LIABILITIES	45,102,066
DEFERRED INFLOWS OF RESOURCES:	
Property taxes not levied to finance current year operations	32,778,568
TOTAL DEFERRED INFLOWS OF RESOURCES	32,778,568
NET POSITION:	
Net Investment in capital assets	15,518,103
Restricted for:	
Debt Service	4,333,385
Capital Outlay	7,607,745
Food Service	217,958
Auxillary Services	197,034
IDEA B	271,562
Student Activities	328,218
Other Purposes	898,602
Unrestricted	6,397,426
TOTAL NET POSITION	\$35,770,033

See Notes to the Basic Financial Statements.

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

		Program Revenues		Net (Expense)
		Charges for	Operating Grants	Revenue and Change
	Expenses	Services and Sales	and Contributions	in Net Position
				Governmental
				Activities
Governmental activities:				
Instruction:				
Regular	\$34,937,715	\$838,067	\$1,158,614	(\$32,941,034)
Special	9,876,534	554,864	2,253,905	(7,067,765)
Vocational	411,755	0	36,640	(375,115)
Other	8,165	0	0	(8,165)
Support services:				
Pupil	4,905,231	0	128,065	(4,777,166)
Instructional staff	3,534,897	18,383	197,356	(3,319,158)
General administration	128,903	0	0	(128,903)
School administration	4,293,106	0	91,688	(4,201,418)
Fiscal	1,733,102	0	0	(1,733,102)
Business	56,113	0	0	(56,113)
Operations & maintenance	5,488,020	109,005	3,891	(5,375,124)
Pupil transportation	5,268,907	0	0	(5,268,907)
Non-instructional services	2,311,229	912,575	1,309,307	(89,347)
Extracurricular activities	653,112	406,855	0	(246,257)
Debt service:				
Interest and fiscal charges	2,001,235	0	0	(2,001,235)
Total governmental activities	<u>\$75,608,024</u>	<u>\$2,839,749</u>	<u>\$5,179,466</u>	<u>(\$67,588,809)</u>

General revenues:	
Property taxes levied for:	
General purposes	37,670,165
Debt Service	2,744,327
Capital Projects	5,099,876
Grants and entitlements not restricted	
to specific programs	31,817,746
Earnings on investments	20,915
Other revenues	1,229,782
Total general revenues	<u>78,582,811</u>
Change in net position	10,994,002
Net position beginning of year, as restated	<u>24,776,031</u>
Net position end of year	<u><u>\$35,770,033</u></u>

See Notes to the Basic Financial Statements.

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

ASSETS:	General Fund	Bond Retirement Fund	Permanent Improvement Fund	Other Governmental Funds	Total Governmental Funds
Equity in pooled cash and investments	\$8,544,545	\$3,497,858	\$5,081,632	\$2,596,847	\$19,720,882
Receivables:					
Taxes	36,385,119	2,610,585	4,851,530	0	43,847,234
Accounts	10,726	0	590	179,589	190,905
Intergovernmental	0	0	0	626,854	626,854
Interfund	10,499	0	0	0	10,499
Inventory	0	0	0	48,546	48,546
TOTAL ASSETS	\$44,950,889	\$6,108,443	\$9,933,752	\$3,451,836	\$64,444,920

3 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:

Liabilities:					
Accounts payable	\$269,232	\$0	\$271,773	\$77,227	\$618,232
Accrued wages and benefits	5,127,132	0	23,331	634,558	5,785,021
Intergovernmental payable	808,353	0	3,709	174,565	986,627
Compensated absences payable	295,973	0	0	26,870	322,843
Interfund payable	0	0	0	10,499	10,499
Total liabilities	6,500,690	0	298,813	923,719	7,723,222

Deferred inflows of resources:

Property taxes not levied to finance current year operations	27,210,124	1,948,058	3,620,386	0	32,778,568
Unavailable Revenue - Delinquent Taxes	941,595	51,627	95,944	0	1,089,166
Unavailable Revenue - Grants	0	0	0	626,854	626,854
Total deferred inflows of resources	28,151,719	1,999,685	3,716,330	626,854	34,494,588

Fund balances:

Nonspendable	0	0	0	48,546	48,546
Restricted	0	4,108,758	5,918,609	2,394,384	12,421,751
Committed	917,008	0	0	0	917,008
Assigned	509,762	0	0	0	509,762
Unassigned	8,871,710	0	0	(541,667)	8,330,043
Total fund balances	10,298,480	4,108,758	5,918,609	1,901,263	22,227,110

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

\$44,950,889	\$6,108,443	\$9,933,752	\$3,451,836	\$64,444,920
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See Notes to the Basic Financial Statements.

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2014

Total Governmental Fund Balances \$22,227,110

Amounts reported for governmental activities in the statement of
net position are different because:

Capital assets used in governmental activities are not financial resources and
therefore are not reported in the funds.

Land	4,716,755	
Buildings and improvements	65,464,616	
Furniture and equipment	7,700,447	
Vehicles	593,988	
Accumulated depreciation	<u>(29,259,560)</u>	
Total Capital Assets		49,216,246

Other long-term assets that are not available to pay for current period
expenditures and therefore are deferred in the funds.

Taxes - delinquent receivables	1,089,166	
Intergovernmental	<u>626,854</u>	
Total		1,716,020

In the statement of net position, interest is accrued, whereas in the
governmental funds interest is reported as a liability only when it will
require the use of current financial resources. (237,166)

Long-term liabilities are not due and payable in the current period and
therefore are not reported in the funds.

Bonds payable	30,405,000	
Capital lease payable	3,655,646	
Unamortized premium on bonds	1,342,639	
Compensated absences	<u>1,748,892</u>	
Total		<u>(37,152,177)</u>

Net Position of Governmental Activities \$35,770,033

See Notes to the Basic Financial Statements.

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund	Bond Retirement Fund	Permanent Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
From local sources:					
Taxes	\$37,740,961	\$2,749,942	\$5,110,312	\$0	\$45,601,215
Tuition and fees	1,386,753	0	0	0	1,386,753
Charges for services	109,413	0	0	867,701	977,114
Earnings on investments	12,915	0	7,254	746	20,915
Extracurricular activities	40,915	0	0	365,940	406,855
Other local revenues	1,206,912	0	0	78,477	1,285,389
Intergovernmental	30,314,509	345,377	751,914	5,179,466	36,591,266
Total revenues	70,812,378	3,095,319	5,869,480	6,492,330	86,269,507
Expenditures:					
Current:					
Instruction:					
Regular	32,686,095	0	340,908	1,178,260	34,205,263
Special	7,198,909	0	0	2,516,619	9,715,528
Vocational	372,473	0	0	39,282	411,755
Other	8,165	0	0	0	8,165
Support services:					
Pupil	4,761,363	0	915	122,665	4,884,943
Instructional staff	1,163,242	0	2,285,846	237,644	3,686,732
General administration	128,903	0	0	0	128,903
School administration	4,220,229	0	1,170	109,855	4,331,254
Fiscal	1,613,948	40,577	79,077	0	1,733,602
Business	58,721	0	0	0	58,721
Operations & maintenance	4,186,916	0	1,375,982	4,560	5,567,458
Pupil transportation	5,228,136	0	38,751	0	5,266,887
Central	21,230	0	0	70,909	92,139
Non-instructional services	300	0	0	2,271,992	2,272,292
Extracurricular activities	242,387	0	21,511	391,686	655,584
Capital outlay	0	0	726,736	19,986	746,722
Debt service:					
Principal retirement	0	745,000	168,713	0	913,713
Interest and fiscal charges	0	2,093,988	58,725	0	2,152,713
Total expenditures	61,891,017	2,879,565	5,098,334	6,963,458	76,832,374
Excess (deficiency) of revenues over (under) expenditures	8,921,361	215,754	771,146	(471,128)	9,437,133
Other Financing Sources (Uses):					
Inception of capital lease	0	0	466,321	0	466,321
Proceeds from sale of capital assets	13,420	0	0	0	13,420
Transfers in	0	0	0	166,803	166,803
Transfers (out)	(166,803)	0	0	0	(166,803)
Total other financing sources (uses)	(153,383)	0	466,321	166,803	479,741
Net change in fund balances	8,767,978	215,754	1,237,467	(304,325)	9,916,874
Fund balances, July 1, as restated	1,530,502	3,893,004	4,681,142	2,205,588	12,310,236
Fund balance, June 30	<u>\$10,298,480</u>	<u>\$4,108,758</u>	<u>\$5,918,609</u>	<u>\$1,901,263</u>	<u>\$22,227,110</u>

See Notes to the Basic Financial Statements.

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Net Change in Fund Balance - Total Governmental Funds \$9,916,874

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which asset additions exceeded depreciation in the current period.

Capital asset additions	2,583,242	
Depreciation expense	(2,248,128)	
Total Capital Assets	335,114	335,114

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities a gain or loss is reported for each disposal. These are the amount of the loss on the disposal of capital assets and the proceeds from the sale of capital assets.

Loss on Sale of Capital Assets		(226,698)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Delinquent property taxes	(86,847)	
Intergovernmental	405,946	
Total	319,099	319,099

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Bond principal	745,000	
Lease principal	168,713	
Lease termination	117,141	
Total	1,030,854	1,030,854

In the statement of activities, interest is accrued, whereas in the governmental funds, an interest expenditure is reported when due.		(2,000)
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In the statement of activities, premiums on the issuance of bonds are amortized over the life of the bonds, whereas in the governmental funds, premiums are reported as an other financing source at the time of issuance.		153,478
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Proceeds from the issuance of capital leases are an other financing source in the funds, but issuance of capital leases increases long-term liabilities in the statement of net position.		(466,321)
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The long-term portion of compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(66,398)
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Change in net position of governmental activities		\$10,994,002
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See Notes to the Basic Financial Statements.

West Clermont Local School District, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$32,443,324	\$32,593,762	\$32,593,762	\$0
Intergovernmental	30,745,123	30,314,507	30,314,507	0
Tuition and fees	537,903	793,287	793,287	0
Rent	110,000	111,756	111,756	0
Miscellaneous	1,104,097	1,502,221	1,502,221	0
Total revenues	<u>64,940,447</u>	<u>65,315,533</u>	<u>65,315,533</u>	<u>0</u>
EXPENDITURES				
Current:				
Instruction:				
Regular	32,916,430	32,875,614	32,875,614	0
Special	8,791,934	7,392,933	7,392,933	0
Vocational	500,378	368,054	368,054	0
Other	9,561	8,165	8,165	0
Support services:				
Pupil	4,150,040	4,628,853	4,628,853	0
Instructional staff	1,351,603	1,195,031	1,195,031	0
General administration	179,134	172,648	172,648	0
School administration	4,977,272	4,499,493	4,499,493	0
Fiscal	1,536,643	1,621,857	1,621,857	0
Business	84,236	54,742	54,742	0
Operations and maintenance	4,658,189	4,437,560	4,437,560	0
Pupil transportation	5,826,289	5,223,367	5,223,367	0
Central	74,193	64,415	64,415	0
Extracurricular activities:				
Academic oriented activities	43,067	35,956	35,956	0
Sport oriented activities	296,229	201,099	201,099	0
Co-Curricular activities	29,885	26,133	26,133	0
Total expenditures	<u>65,425,083</u>	<u>62,805,920</u>	<u>62,805,920</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(484,636)</u>	<u>2,509,613</u>	<u>2,509,613</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(119,076)	(166,803)	(166,803)	0
Advances in	59,553	59,554	59,554	0
Advances (out)	0	(10,499)	(10,499)	0
Total other financing sources (uses)	<u>(59,523)</u>	<u>(117,748)</u>	<u>(117,748)</u>	<u>0</u>
Net change in fund balance	<u>(544,159)</u>	<u>2,391,865</u>	<u>2,391,865</u>	<u>0</u>
Fund balance - beginning	3,414,583	3,414,583	3,414,583	0
Prior year encumbrances appropriated	1,192,531	1,192,531	1,192,531	0
Fund balance - ending	<u>\$4,062,955</u>	<u>\$6,998,979</u>	<u>\$6,998,979</u>	<u>\$0</u>

See Notes to the Basic Financial Statements.

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	Private Purpose Trust	Agency
ASSETS:		
Equity in pooled cash and investments	\$4,705	\$132,851
LIABILITIES:		
Due to student groups	\$0	\$132,851
TOTAL LIABILITIES	0	\$132,851
NET POSITION:		
Held in trust	4,705	
TOTAL NET POSITION	\$4,705	

See Notes to the Basic Financial Statements.

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Private Purpose Trust
Additions:	
Earnings on investments	\$0
Total additions	0
Deductions:	
Award	0
Change in net position	0
Net position beginning of year	4,705
Net position end of year	\$4,705

See Notes to the Basic Financial Statements.

WEST CLERMONT LOCAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

1. DESCRIPTION OF THE DISTRICT

West Clermont Local School District (the “District”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District operates under a locally elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. This Board of Education controls the District’s thirteen instructional/support facilities staffed by 270 non-certified and 475 certificated personnel who provide services to students and other community members.

The District was established in 1967 through the consolidation of Amelia Local School District, Glen Este-Mt. Carmel Local School District, and the Withamsville Tobasco School District and operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code. The legislative power of the District is vested in the Board of Education, elected at-large for staggered four year terms.

The District is located in western Clermont County, including portions of Union and Pierce townships. It is the 22nd largest in the state of Ohio (among 611 school districts) in terms of enrollment and the largest in Clermont County. It currently operates 8 elementary schools, 2 middle schools, 2 comprehensive high schools, and 1 administrative building.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant of the District’s accounting policies are described below.

Reporting Entity

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

Potential component units were reviewed for possible inclusion in the reporting entity. Component units are legally separate organizations for which the District is financially

accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. The District has no component units.

Union Township, Pierce Township, and the Clermont County Public Library are separate bodies politic and corporate. Elected or appointed officials are independent of any District relationships, administer the provisions of each entity's services and act as the taxing authority for these services.

The following activities are included within the reporting entity:

Parochial Schools – Within the District boundaries, St. Bernadette, St. Thomas More, St. Veronica (operated through the Cincinnati Catholic Diocese) and Eastern Hills Educational Building are operated as private schools. Current State legislation provides funding to these parochial and private schools. These monies are received and disbursed on behalf of the schools by the Treasurer of the District, as directed by the schools. The activity of these State monies by the District are reflected in a special revenue fund for financial reporting purposes.

The District is associated with three organizations; two of which are defined as jointly governed organizations and one as an insurance purchasing pool. These organizations include the Hamilton Clermont Cooperative Association/Unified Purchasing, Great Oaks Institute of Technology and Career Development and the Ohio School Boards Association Workers' Compensation Group Rating Plan.

MEASUREMENT FOCUS

Government-wide Financial Statements

The government-wide statements are prepared using the economic resources measurement focus. All assets, liabilities and deferred inflows/outflows of resources associated with the operation of the District are included on the *Statement of Net Position*. Fiduciary Funds are not included in entity-wide statements.

The Government-wide *Statement of Activities* presents a comparison for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues

are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities and deferred inflows of resources generally are included on the *Balance Sheet*. The *Statement of Revenues, Expenditures and Changes in Fund Balances* reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Fiduciary Funds, except Agency Funds, are reported using the economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the *Statement of Net Position*. The *Statement of Changes in Fiduciary Net Position* presents increases (i.e. revenues) and decreases (i.e. expenses) in net total positions.

FUND ACCOUNTING

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories governmental and fiduciary. The focus of government fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Governmental Funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets, liabilities plus deferred inflows of resources is reported as fund balance. The following are the District's major governmental funds:

General Fund - The General Fund is used to account for all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Bond Retirement Fund – The Bond Retirement Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures

for principal and interest. The primary source of funding is property taxes.

Permanent Improvement Fund – The Permanent Improvement Fund accounts for and reports financial resources received from property taxes to be used for the acquisition, construction, or improvement of capital facilities and other capital assets.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The District's fiduciary funds consist of a private purpose trust fund and agency funds. The trust fund is used to account for assets held by the District under a trust agreement for student scholarships and is therefore not available to support the District's own programs. Agency funds are custodian in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency funds account for those student activities which consist of a student body, president, treasurer and a faculty advisor.

3. BASIS OF ACCOUNTING

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Differences in the actual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and

expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: property taxes available for advance, grants and interest.

Deferred Outflows and Deferred Inflows of Resources

The School District has implemented both GASB Statement No. 63 and GASB Statement No. 65, effective for fiscal year 2013. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditures/expenses) until then. The School District did not have any deferred outflows of resources as of June 30, 2014. The School District reports a deferred inflow of resources which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenues) until that time. For the District these amounts consist of taxes and grants which are not collected in the available period. The difference between deferred inflows on the *Statement of Net Position* and the *Balance Sheet* is due to delinquent property taxes and grants not received during the available period. These were reported as revenues on the *Statement of Activities* and not recorded as deferred inflows on the *Statement of Net Position*.

Expenditures

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures). Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

CASH AND CASH EQUIVALENTS

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as “equity in pooled cash and investments” on the financial statements. Investments are reported at fair value which is based on quoted market prices.

The District has invested funds in Money Market Funds, Federal Agency Securities and in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2014. STAR Ohio are 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, 2014. Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during fiscal year 2014 amounted to \$20,915.

INVENTORY

Inventories are presented at cost on a first-in, first-out basis and are expended when used. Inventory consists of food held for resale.

CAPITAL ASSETS

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of two thousand five hundred dollars (\$2,500). The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets are depreciated, except land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is allocated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Buildings	45 years
Building Improvements	20 years
Equipment	10 - 20 years
Vehicles	10 years

COMPENSATED ABSENCES

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time, when earned, for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the District's past experience of making termination payments.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the expenditure for unpaid compensated absences are recognized when due. The related liability is recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid.

NET POSITION

Net position represents the difference between assets and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets plus any unexpended balances of such borrowings. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents primarily amounts restricted for food services.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

INTERFUND ACTIVITY

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and are eliminated on the *Statement of Activities*. On fund financials, receivables and payables resulting from short-term inter-fund loans are classified as “inter-fund receivable/payable” and are eliminated on the *Statement of Net Position*. The effect of inter-fund activity has been eliminated from the government-wide financial statements.

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 the governmental funds. The classifications are as follows:

Nonspendable - the nonspendable fund balance category 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” criterion includes items that are not expected to be converted to cash.

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.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of

Education. Those committed amounts cannot be used for any other purpose unless the School District 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.

Assigned - Amounts in the assigned fund balance 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 School District Board of Education.

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.

The School District applies restricted resources first when expenditures are 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 could be used.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

UNAMORTIZED BOND ISSUANCE COSTS/BOND PREMIUM AND DISCOUNT

On government-wide financial statements, bond issuance costs are recognized in the current period.

Bond premiums are deferred and amortized over the term of the bonds. Bond premiums are presented as an addition to the face amount of the bonds.

On the governmental financial statements, issuance costs and bond premiums are recognized in the current period.

4. CASH AND CASH EQUIVALENTS

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Equity in Pooled Cash and Investments."

State statute requires the classification of monies held by the District into three categories:

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the District. Such monies must by law be maintained either as cash in the District treasury, in depository accounts payable or withdrawable on demand.

Inactive Monies – Those monies not required for use within the current five year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

Interim Monies – 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. Ohio law permits interim monies to be invested or deposited in the following securities:

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) Repurchase agreements in the securities enumerated above.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds and other obligations of the State of Ohio.
- (6) No-load money market mutual funds consisting of obligations described in division (1) or (2) and repurchase agreements secured by such obligations.
- (7) The Ohio State Treasurer's investment pool (STAR Ohio).
- (8) Commercial paper and bankers acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.

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 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.

Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The District's custodial credit risk policy requires that deposits be collateralized as required by ORC Chapter 135. Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 105% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance. At fiscal year-end, the District's bank balance of \$8,226,422 was either covered by FDIC or collateralized in the manner described above.

Investments

The District's investments at June 30, 2014 are as summarized as follows:

	<u>Fair Value</u>	<u>Years</u>
STAR Ohio	12,514,909	n/a
	<u>\$12,514,909</u>	

Interest Rate Risk

The District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and that an investment must be purchased with the expectation that it will be held to maturity. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least two percent and be marked to market daily.

Credit Risk

It is the District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings by nationally recognized statistical rating organizations. Investments in STAR Ohio were rated AAAm by Standard & Poor's. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investment policy does not specifically address credit risk beyond requiring the District to only invest in securities authorized by State statute.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the

possession of an outside party. All of the District's securities are either insured and registered in the name of the District or at least registered in the name of the District.

Concentration of Credit Risk

The District's investment policy allows investments in Federal Agencies or Instrumentalities. One hundred percent of the District's investments are in STAR Ohio.

5. FUND BALANCES

Fund balance is classified as nonspendable, 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 resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

	General	Bond Retirement	Permanent Improvement	Other Governmental	Total
<u>Fund Balance</u>					
<i>Nonspendable</i>					
Inventory	\$0	\$0	\$0	\$48,546	\$48,546
<i>Restricted for</i>					
Food Service Operations	0	0	0	238,356	238,356
Local Grants	0	0	0	12,765	12,765
District Managed Student Act.	0	0	0	311,110	311,110
Non-public Schools	0	0	0	216,561	216,561
Federal Grants	0	0	0	2,940	2,940
Bond Retirement	0	4,108,758	0	0	4,108,758
Permanent Improvements	0	0	5,918,609	0	5,918,609
Building Funds	0	0	0	1,612,652	1,612,652
<i>Total Restricted</i>	0	4,108,758	5,918,609	2,394,384	12,421,751
<i>Committed</i>					
Uniform School Supplies	437,486	0	0	0	437,486
Public School Support	479,522	0	0	0	479,522
Total Committed	917,008		0	0	917,008
<i>Assigned to</i>					
Encumbrances	509,762	0	0	0	509,762
<i>Unassigned</i>	8,871,710	0	0	(541,667)	8,330,043
Total	<u>\$10,298,480</u>	<u>\$4,108,758</u>	<u>\$5,918,609</u>	<u>\$1,901,263</u>	<u>\$22,227,110</u>

6. PROPERTY TAXES

Real property taxes collected in 2014 were levied in April on the assessed values as of January 1, 2013, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. A re-evaluation of real property is required to be completed no less than every six years, with a statistical update every third year.

Public utility property tax revenue received in calendar year 2014 represents collections of calendar year 2013 taxes. Public utility real and tangible personal property taxes received in calendar year 2014 became a lien January 1, 2013, were levied after April 1, 2013 and are collected in 2014 with real property taxes. Public utility real property is assessed at 35 percent of true value, public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2014 (other than public utility property tax) represents the collection of 2013 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2014 were levied after April 1, 2013, on the value as of December 31, 2012. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

Real property taxes are payable annually or semi-annually. In 2014, if paid annually, payment was due by February 10th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due February 10th with the remainder due on July 8th.

The Clermont County Auditor remits portions of the taxes collected to all taxing districts with periodic settlements of real and public utility property taxes in February and August and tangible personal property taxes in June and October. The District records billed but uncollected property taxes as receivables at their estimated net realizable value.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2014 and for which there is an enforceable legal claim. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2014. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2014, was \$8,233,400 for the General Fund, \$610,900 for the Bond Retirement Fund and \$1,135,200 for the Permanent Improvement Fund and is recognized as revenue.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been recorded as a deferred inflow of resources.

The assessed values upon which the fiscal year 2014 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$1,196,602,440
Public Utility Personal	<u>47,115,610</u>
Total	<u>\$1,243,718,050</u>

7. RECEIVABLES

Receivables at June 30, 2014, consisted of taxes, interfund, accounts (rent and student fees) and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivable amounts, except delinquent property taxes, are expected to be received within one year. A list of the District's intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities:	
Title VIB	\$342,652
Title I	268,217
Preschool Grant	15,985
	<u>\$626,854</u>

8. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	Ending <u>Balance</u>
Government Activities				
<i>Capital assets not being depreciated:</i>				
Land	\$4,716,755	\$0	\$0	\$4,716,755
<i>Capital Assets being depreciated:</i>				
Buildings & Improvements	65,464,616	0	0	65,464,616
Equipment	5,733,414	2,512,694	545,661	7,700,447
Vehicles	<u>523,440</u>	<u>70,548</u>	<u>0</u>	<u>593,988</u>
Total Historical Cost	<u>76,438,225</u>	<u>2,583,242</u>	<u>545,661</u>	<u>78,475,806</u>
Less Accumulated Depreciation:				
Buildings & Improvements	23,520,562	1,614,940	0	25,135,502
Equipment	3,432,419	598,606	318,963	3,712,062
Vehicles	<u>377,414</u>	<u>34,582</u>	<u>0</u>	<u>411,996</u>
Total Accumulated Depreciation	<u>27,330,395</u>	<u>2,248,128</u>	<u>318,963</u>	<u>29,259,560</u>
Governmental Activities Capital Assets, Net	<u>\$49,107,830</u>	<u>\$335,114</u>	<u>\$226,698</u>	<u>\$49,216,246</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,534,196
Special	33,765
Support Services	
Pupils	18,351
Instructional Staff	20,727
School Administration	21,315
Fiscal	830
Operations & Maintenance	263,031
Pupil Transportation	2,020
Central	209,610
Operation of Non-Instructional Services	126,281
Academic Oriented Activities	8,529
Sport Oriented Activities	9,473
	<u>\$2,248,128</u>

9. LONG-TERM LIABILITIES

	Original Issue	Maturity Dates	Beginning Balance Outstanding	Additions	Deductions	Ending Balance Outstanding	Due In One Year
Governmental Activities:							
General Obligation Bonds:							
School Improvement Refund 2013 1.75% - 4.00%	\$3,740,000	12/31/2019	\$3,740,000	\$0	\$0	\$3,740,000	\$0
Deferred amounts:							
Unamortized Premiums			385,921	0	55,132	330,789	
School Improvement Refund 2002 2.00% - 4.25%	\$11,075,000	12/31/2015	255,000	0	95,000	160,000	85,000
Deferred amounts:							
Unamortized Premiums			514,744	0	73,535	441,209	
Classroom Facilities 2008 4.49%	\$30,000,000	12/31/2036	27,155,000	0	650,000	26,505,000	675,000
Deferred amounts:							
Unamortized Premiums			595,452	0	24,811	570,641	
Total General Obligation Bonds			\$32,646,117	\$0	\$898,478	\$31,747,639	\$760,000
Compensated Absences			2,435,263	404,682	768,210	2,071,735	1,667,053
Capital Leases			3,475,179	466,321	285,854	3,655,646	2,997,048
Total Governmental Activities Long-Term Liabilities			<u>\$38,556,559</u>	<u>\$871,003</u>	<u>\$1,952,542</u>	<u>\$37,475,020</u>	<u>\$5,424,101</u>

General obligation bonds will be paid from the debt service fund. Compensated absences will be paid from the fund from which the person is paid, which is primarily the general fund. Capital lease obligations will be paid from the capital projects fund.

Principal and interest requirements to retire general obligation debt outstanding at year-end are as follows:

<u>General Obligation Bonds</u>			
Fiscal Year Ending June 30,	Principal	Interest	Total
2015	\$760,000	\$2,094,175	\$2,854,175
2016	780,000	2,220,618	3,000,618
2017	1,575,000	1,278,294	2,853,294
2018	1,655,000	1,215,568	2,870,568
2019	1,775,000	1,147,924	2,922,924
2020-2024	5,620,000	4,900,362	10,520,362
2025-2029	6,100,000	3,576,900	9,676,900
2030-2034	7,060,000	1,995,300	9,055,300
2035-2037	5,080,000	350,326	5,430,326
Totals	<u>\$30,405,000</u>	<u>\$18,779,467</u>	<u>\$49,184,467</u>

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District.

The effects of these debt limitations at June 30, 2014 are a voted debt margin of \$111,934,625 and an un-voted debt margin of \$1,243,718.

10. PRIOR YEAR DEFEASANCE OF DEBT

In years prior to 2014, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the District's financial statements.

In March 2013, the District refunded \$3,990,000 of General Obligation Bonds through the issuance of \$3,740,000 of General Obligation Bonds. The net proceeds of the 2013 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds are not included in the District's outstanding debt since the District has in-substance satisfied its obligation through the refunding.

11. LEASES

CAPITAL LEASES

The District has leases which meet the criteria of a capital lease. A capital lease generally is one that transfers benefits and risks of ownership to the lessee.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of fiscal year-end.

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Payment</u>
2015	\$3,152,864
2016	197,150
2017	195,994
2018	195,755
2019	140,393
Total Minimum Lease Payments	3,882,156
Less: Amount Representing Interest	(226,510)
Present Value of Minimum Lease Payment	<u><u>\$3,655,646</u></u>

In 2014, the District entered into a capital lease for copiers in the amount of \$466,321. As part of this agreement, the company terminated the prior lease, which discharged \$117,141 of outstanding lease obligations, in addition to the lease payments of \$168,713 made during the year. In prior years, the District has also entered into two capital leases with the Rickenbacker Port Authority (RPA). The RPA capital leases will have variable interest rates which will be paid either monthly or every six months depending on the lease agreement. The leases were for an addition to Amelia High School consisting of ten classrooms, one multipurpose room with related fixtures, roof improvements to buildings and energy conservation measures throughout the District. The \$2,838,000 RPA capital lease will pay interest every six months and will have one principal payment due on December 1, 2014. The \$1,022,000 RPA capital lease will pay interest monthly and will pay principal yearly due on January 1 until 2019. These lease agreements qualify as capital leases for accounting purposes and therefore, have been recorded at the present value of the future minimum lease payments as of the inception date as capital assets in the governmental activities of the *Statement of Net Position*.

12. PENSION PLANS

SCHOOL EMPLOYEES RETIREMENT SYSTEM

The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476.

Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amounts by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year ending June 30, 2014, the allocation to pension and death benefits is 13.1%. The remaining .90% of the 14% employer contribution rate is allocated to the Health Care and Medicare B funds. The School District's contributions to SERS for the years ended June 30, 2014, 2013, and 2012 were \$917,878, \$1,019,448 and \$1,023,157 respectively; of which 77% has been contributed for fiscal year 2014, and 100% for fiscal years 2013 and 2012. \$222,496 represents the unpaid contribution for fiscal year 2014 and is recorded as a component of intergovernmental payable on the basic financial statements.

STATE TEACHERS RETIREMENT SYSTEM

The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3371 or by calling (888) 227-7877.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB Plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Benefits are established by Chapter 3307 of the Ohio Revised Code. A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2014, plan members were required to contribute 11% of their annual covered salaries. The District was required to contribute 13% to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 11% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for members and employer contributions.

The District's required contributions for pension obligations for the fiscal years ended June 30, 2014, 2013, and 2012 were \$3,978,465, \$4,207,787, and \$4,388,512, respectively; of which 84% has been contributed for fiscal year 2014 and 100% for fiscal years 2013 and 2012. \$620,848 represents the unpaid contribution for fiscal year 2014. The remaining pension liability is presented as a component of intergovernmental payable on the basic financial statements.

13. POST EMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits

included hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums. Benefit provision and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

All STRS Ohio benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal years ended June 30, 2014, 2013 and 2012, the STRS Ohio Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$284,176, \$300,556 and \$313,465 for the fiscal years 2014, 2013 and 2012, respectively; of which 84% has been contributed for fiscal year 2014, and 100% for fiscal year 2013 and 2012.

In addition to a cost-sharing multiple-employer defined benefit pension plan, the SERS administers two post-employment benefit plans.

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code 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 statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2014 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 Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2014, the actuarially required allocation was .76%. West Clermont Local School District contributions for the year ended June 30, 2014, 2013 and 2012 were \$53,040, \$53,885, and \$54,812, of which 77% has been contributed for fiscal year 2014 and 100% for year 2013 and 2012.

ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' post-employment benefits through employer contributions. Active members do not make contributions to the post-employment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2014, the health care allocation was .14%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes do not provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect an aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2014, the minimum compensation level was established at \$20,250. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. West Clermont Local School District contributions for the years ended June 30, 2014, 2013, and 2012 were \$119,395, \$147,665, and \$176,200, respectively; of which 77% has been contributed for fiscal year 2014, and 100% for fiscal year 2013 and 2012.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, OH 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under forms and publications.

14. CONTINGENT LIABILITIES

LITIGATION

The District's attorney estimates that all other potential claims against the District not covered by insurance resulting from all other litigation would not materially affect the financial statements of the District.

GRANTS

The 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 is 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 District at June 30, 2014, if applicable, cannot be determined at this time.

15. JOINTLY GOVERNED ORGANIZATIONS

The Hamilton Clermont Cooperative Association/Unified Purchasing Association

The Hamilton Clermont Cooperative Association/Unified Purchasing Association is a jointly governed organization among a two county consortium of school districts. The Unified Purchasing Cooperative was organized under the Hamilton Clermont Cooperative Association to benefit member districts with a more economically sound purchasing mechanism for general school, office and cafeteria supplies. The Unified Purchasing Cooperative organization is governed by representatives from each of the governments that create the organization, but there is no ongoing financial interest or responsibility by the participating governments. Complete financial statements for H/CCA can be obtained from their administrative offices at 7615 Harrison Avenue, Cincinnati, Ohio 45231.

The Great Oaks Institute of Technology & Career Development

The Great Oaks Joint Vocational School District, a jointly governed organization, 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 district's elected board. The Board possesses its own budgeting and taxing authority as a separate body politic and corporate, established by the Ohio Revised Code. Great Oaks Institute of Technology and Career Development was formed for the purpose of providing vocational education opportunities to the students of the member school districts, which includes the students of the West Clermont Local School District. The District has no ongoing financial interest in, nor responsibility for the Joint Vocational School. To obtain financial information, write to the Great Oaks Institute of Technology and Career Development, Attention: Treasurer, at 3254 East Kemper Rd., Cincinnati, Ohio 45241-1545.

16. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors and omissions, employee injuries, and natural disasters. The District addresses these risks by maintaining a comprehensive risk management program through the purchase of various types of liability, inland marine, and property insurance from private carriers. Settled claims have not exceeded commercial coverage in any of the past three years. A summary of significant coverage, which has not been significantly reduced from 2013, follows:

Building Contents-replacement cost (\$5,000 deductible)	\$122,441,755
Inland Marine Coverage (\$1,000 deductible)	2,227,720
Boiler and Machinery (\$1,000 deductible)	13,800,000
Automobile Liability (\$2,500 deductible)	2,000,000
Earthquake (\$2,500 deductible)	5,000,000

General Liability Per Occurrence	1,000,000
Employee Benefit Liability Total per Year (Aggregate)	1,000,000

17. INSURANCE PURCHASING POOL

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three-member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers 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 State 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 percentage 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 ensures 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. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

18. BUDGETARY PROCESS

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations resolution and the certificate of estimated resources 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 that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at level of control selected by the Board. The legal level of control has been established by the Board at the fund level. Although the legal level of control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Any budgetary modifications at this level may only be made by resolution of the Board.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District 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 final amended certificate of estimated resources issued during the fiscal year 2014.

The appropriation resolution is subject to amendment by the Board 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 year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

While the District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), 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 Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis)* and presented for the General fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a restriction, commitment, or assignment of fund balance. (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

<u>Net Change in Fund Balance</u>	
	<u>General</u>
GAAP Basis	\$8,767,978
Adjustments	
Due to Revenues	(4,740,559)
Due to Expenditure and Encumbrances	(1,577,101)
Due to Other Financing Sources/Uses	35,635
Funds Budgeted Elsewhere	(94,088)
Budget Basis	<u><u>\$2,391,865</u></u>

As part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting, and Governmental Fund Type Definitions," certain funds that are legally budgeted in separate special revenue funds are considered part of the General Fund on a GAAP basis. These funds include the Public School Support Fund and the the Uniform School Supplies Fund.

19. COMPLIANCE AND ACCOUNTABILITY

The following individual funds had a deficit in fund balance at year-end:

<u>Fund</u>	<u>Deficit</u>
Special Revenue:	
Title VIB	\$270,041
Title III	31
Title I	257,437
Preschool Grant	12,958
Improving Teacher Quality	1,200

The general fund is liable for any deficit in these funds and will provide operating transfers when cash is required and not when accruals occur.

20. FUND BALANCE RESERVES FOR SET-ASIDES

The 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 year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. The following cash basis information describes the change in the year-end set-aside amounts for capital acquisition. Disclosure of this information is required by State statute.

	<u>Capital</u>
	<u>Acquisition</u>
Current Year Set-aside Requirement	1,430,285
Qualified Disbursements	(1,749,328)
Total	<u>(319,043)</u>

Effective July 1, 2011, the textbook reserve requirement was eliminated; therefore, no balance or other information is presented.

21. INTER-FUND TRANSACTIONS

A. Interfund Transfers

During the fiscal year ended June 30, 2014, the General Fund transferred \$166,803 to the District Managed Student Activities Special Revenue Fund. The transfer was made to move unrestricted balances to support programs and services accounted for in that fund.

B. Interfund Receivables/Payables

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General	\$10,499	
Title I		\$10,499

The amount due to the General Fund from Title I is the result of the District moving unrestricted balances to support programs and projects accounted for in other funds. The General Fund will be reimbursed when funds become available in Title I, which is expected to be received within one year.

22. PRIOR PERIOD ADJUSTMENT

A prior period adjustment was required to correct intergovernmental receivables which were overstated on June 30, 2013. That adjustment had the following effect on Net Position and Fund Balance:

	Governmental	Other Governmental
	Activities	Funds
Net Position/Fund Balance, June 30, 2013	\$25,119,873	\$2,549,430
Intergovernmental receivables	(343,842)	(343,842)
Net Position/Fund Balance restated, June 30, 2013	\$24,776,031	\$2,205,588

23. OTHER COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for encumbrances in governmental funds were as follows:

Fund	Fiscal Year-End Encumbrances
General	\$569,003
Permanent Improvement	1,000,634
Other Governmental	270,071
Total	\$1,839,708

24. CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2014, the District has implemented GASB Statement No. 70, "Accounting and Financial Reporting for Non-exchange Financial Guarantees".

GASB Statement No. 70 improves the recognition, measurement, and disclosures for state and local governments that have extended or received financial guarantees that are non-exchange transactions. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the District.

Combining Statements and Individual Fund Schedules

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds: Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Mental Health: To account for state funds, which provided mental health programs to the students of the district.

Other Grants: To account for local funds, which are provided to assist the District with various programs.

District Managed Student Activities: To account for those student activity programs, which have student participation in the activity, but do not have student management of the programs. This fund includes athletic programs as well as band, cheerleaders, drama clubs, and other similar types of activities.

Auxiliary Services: To account for state funds that provide services and materials to students attending non-public schools within the boundaries of the District.

Education Management Information System: To account for state funds provided to assist the district in implementing a state required staff, student, and financial reporting system.

Network Connectivity: To account for state funds, related to the District's Network Connectivity Program.

Resident Educator Program: To account for federal funds received to use in the development of new teaching staff members.

Title VIB: To account for federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels.

Vocational Education: To account for federal funds used in the development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, cooperative education, advisory committees, and work-study projects.

Title III: Federal grant used to account for federal monies provided to support the District's ESL population.

Title I: To account for federal funds for services provided to meet special educational needs of educationally deprived children (formerly called Chapter I).

Preschool Grant: To account for federal funds received to provide programs to handicapped preschool children.

Improving Teacher Quality: To account for federal funds received to provide for improving the quality of teachers.

Food Service: To account for all revenues and expenses related to the provision of food services, including breakfast and lunch, for the District students and staff.

Public School Support: To account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sales of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs. This fund is legally budgeted separately but included in the General Fund on a GAAP basis.

Uniform School Supply: To account for the purchase and sale of school supplies as adopted by the Board of Education for resale to students of the District. This fund is legally budgeted separately but included in the General Fund on a GAAP basis.

Non-Major Capital Projects: Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Building Fund: To account for resources received from bond issues passed by the electorate in the form of property taxes to be used for the construction or improvement of capital facilities.

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS:			
Equity in pooled cash and investments	\$984,195	\$1,612,652	\$2,596,847
Receivables:			
Accounts	179,589	0	179,589
Intergovernmental	626,854	0	626,854
Inventory	48,546	0	48,546
TOTAL ASSETS	\$1,839,184	\$1,612,652	\$3,451,836
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:			
Liabilities:			
Accounts payable	\$77,227	\$0	\$77,227
Accrued wages and benefits	634,558	0	634,558
Intergovernmental payable	174,565	0	174,565
Compensated absences payable	26,870	0	26,870
Interfund payable	10,499	0	10,499
Total liabilities	923,719	0	923,719
Deferred inflows of resources:			
Unavailable Revenue - Grants	626,854	0	626,854
Total deferred inflows of resources	626,854	0	626,854
Fund balances:			
Nonspendable	48,546	0	48,546
Restricted	781,732	1,612,652	2,394,384
Unassigned	(541,667)	0	(541,667)
Total fund balances	288,611	1,612,652	1,901,263
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$1,839,184	\$1,612,652	\$3,451,836

**WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:			
From local sources:			
Charges for services	\$867,701	\$0	\$867,701
Earnings on investments	746	0	746
Extracurricular activities	365,940	0	365,940
Other local revenues	78,477	0	78,477
Intergovernmental	5,179,466	0	5,179,466
Total revenues	6,492,330	0	6,492,330
Expenditures:			
Current:			
Instruction:			
Regular	1,178,260	0	1,178,260
Special	2,516,619	0	2,516,619
Vocational	39,282	0	39,282
Support services:			
Pupil	122,665	0	122,665
Instructional staff	237,644	0	237,644
School administration	109,855	0	109,855
Operations & maintenance	4,560	0	4,560
Central	70,909	0	70,909
Non-instructional services	2,271,992	0	2,271,992
Extracurricular activities	391,686	0	391,686
Capital outlay	19,986	0	19,986
Total expenditures	6,963,458	0	6,963,458
Excess (deficiency) of revenues over (under) expenditures	(471,128)	0	(471,128)
Other Financing Sources (Uses)			
Transfers in	166,803	0	166,803
Total other financing sources (uses)	166,803	0	166,803
Net change in fund balances	(304,325)	0	(304,325)
Fund balances, July 1, as restated	592,936	1,612,652	2,205,588
Fund balance, June 30	\$288,611	\$1,612,652	\$1,901,263

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	Mental Health	Other Grants	District Managed Student Activities
ASSETS:			
Equity in pooled cash and investments	\$1,055	\$11,934	\$339,710
Receivables:			
Accounts	0	500	356
Intergovernmental	0	0	0
Inventory	0	0	0
TOTAL ASSETS	\$1,055	\$12,434	\$340,066
LIABILITIES:			
Accounts payable	\$0	\$724	\$1,263
Accrued wages and benefits	0	0	10,192
Intergovernmental payable	0	0	17,501
Compensated absences payable	0	0	0
Interfund payable	0	0	0
Total liabilities	0	724	28,956
DEFERRED INFLOWS OF RESOURCES:			
Unavailable Revenue - Grants	0	0	0
Total deferred inflows of resources	0	0	0
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:			
Nonspendable	0	0	0
Restricted	1,055	11,710	311,110
Unassigned	0	0	0
Total fund balances	1,055	11,710	311,110
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:	\$1,055	\$12,434	\$340,066

<u>Auxiliary Services</u>	<u>Education Management Information System</u>	<u>Network Connectivity</u>	<u>Resident Educator Program</u>	<u>Title VIB</u>
\$313,355	\$0	\$0	\$2,940	\$55,995
0	0	0	0	0
0	0	0	0	342,652
0	0	0	0	0
<u>\$313,355</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,940</u>	<u>\$398,647</u>
\$68,453	\$0	\$0	\$0	\$0
23,665	0	0	0	270,495
4,676	0	0	0	55,541
0	0	0	0	0
0	0	0	0	0
<u>96,794</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>326,036</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>342,652</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>342,652</u>
0	0	0	0	0
216,561	0	0	2,940	0
0	0	0	0	(270,041)
<u>216,561</u>	<u>0</u>	<u>0</u>	<u>2,940</u>	<u>(270,041)</u>
<u>\$313,355</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,940</u>	<u>\$398,647</u>

Continued

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS - (Concluded)
JUNE 30, 2014

	Vocational Education	Title III	Title I
ASSETS:			
Equity in pooled cash and investments	\$0	\$714	\$2,848
Receivables:			
Accounts	0	0	0
Intergovernmental	0	0	268,217
Inventory	0	0	0
TOTAL ASSETS	<u>\$0</u>	<u>\$714</u>	<u>\$271,065</u>
LIABILITIES:			
Accounts payable	\$0	\$0	\$438
Accrued wages and benefits	0	0	203,977
Intergovernmental payable	0	745	28,873
Compensated absences payable	0	0	16,498
Interfund payable	0	0	10,499
Total liabilities	<u>0</u>	<u>745</u>	<u>260,285</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable Revenue - Grants	<u>0</u>	<u>0</u>	<u>268,217</u>
Total deferred inflows of resources	<u>0</u>	<u>0</u>	<u>268,217</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:			
Nonspendable	0	0	0
Restricted	0	0	0
Unassigned	<u>0</u>	<u>(31)</u>	<u>(257,437)</u>
Total fund balances	<u>0</u>	<u>(31)</u>	<u>(257,437)</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:	<u>\$0</u>	<u>\$714</u>	<u>\$271,065</u>

Preschool Grant	Improving Teacher Quality	Food Service	Total Nonmajor Special Revenue Funds
\$1,443	\$0	\$254,201	\$984,195
0	0	178,733	179,589
15,985	0	0	626,854
0	0	48,546	48,546
<u>\$17,428</u>	<u>\$0</u>	<u>\$481,480</u>	<u>\$1,839,184</u>
\$0	\$1,200	\$5,149	\$77,227
12,383	0	113,846	634,558
2,018	0	65,211	174,565
0	0	10,372	26,870
0	0	0	10,499
<u>14,401</u>	<u>1,200</u>	<u>194,578</u>	<u>923,719</u>
<u>15,985</u>	<u>0</u>	<u>0</u>	<u>626,854</u>
<u>15,985</u>	<u>0</u>	<u>0</u>	<u>626,854</u>
0	0	48,546	48,546
0	0	238,356	781,732
(12,958)	(1,200)	0	(541,667)
<u>(12,958)</u>	<u>(1,200)</u>	<u>286,902</u>	<u>288,611</u>
<u>\$17,428</u>	<u>\$0</u>	<u>\$481,480</u>	<u>\$1,839,184</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Mental Health	Other Grants	District Managed Student Activities
Revenues:			
From local sources:			
Charges for services	\$0	\$15,385	\$0
Earnings on investments	0	0	0
Extracurricular activities	0	0	365,940
Other local revenues	0	8,768	0
Intergovernmental	0	0	0
Total revenues	0	24,153	365,940
Expenditures:			
Current:			
Instruction:			
Regular	0	6,077	0
Special	0	644	0
Vocational	0	0	0
Support services:			
Pupil	0	191	0
Instructional staff	0	10,060	0
School administration	0	0	0
Operations & maintenance	0	0	0
Central	0	0	0
Non-instructional services	0	0	0
Extracurricular activities	0	0	391,686
Capital outlay	0	0	19,986
Total expenditures	0	16,972	411,672
Excess (deficiency) of revenues over (under) expenditures	0	7,181	(45,732)
Other Financing Sources (Uses)			
Transfers in	0	0	166,803
Total other financing sources (uses)	0	0	166,803
Net change in fund balances	0	7,181	121,071
Fund balances, July 1, as restated	1,055	4,529	190,039
Fund balance, June 30	\$1,055	\$11,710	\$311,110

<u>Auxiliary Services</u>	<u>Education Management Information System</u>	<u>Network Connectivity</u>	<u>Resident Educator Program</u>	<u>Title VIB</u>
\$0	\$0	\$0	\$0	\$0
361	0	0	0	0
0	0	0	0	0
0	0	0	9,450	0
748,230	0	21,600	9,800	1,513,213
<u>748,591</u>	<u>0</u>	<u>21,600</u>	<u>19,250</u>	<u>1,513,213</u>
586,617	0	21,600	0	0
0	0	0	0	1,485,868
0	0	0	0	39,282
58,263	0	0	0	45,805
0	10,800	0	22,221	0
0	0	0	0	20,232
0	0	0	0	0
0	0	0	0	0
0	0	0	0	31,122
0	0	0	0	0
0	0	0	0	0
<u>644,880</u>	<u>10,800</u>	<u>21,600</u>	<u>22,221</u>	<u>1,622,309</u>
<u>103,711</u>	<u>(10,800)</u>	<u>0</u>	<u>(2,971)</u>	<u>(109,096)</u>
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>103,711</u>	<u>(10,800)</u>	<u>0</u>	<u>(2,971)</u>	<u>(109,096)</u>
<u>112,850</u>	<u>10,800</u>	<u>0</u>	<u>5,911</u>	<u>(160,945)</u>
<u>\$216,561</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,940</u>	<u>(\$270,041)</u>

Continued

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - (Concluded)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Vocational Education	Title III	Title I
Revenues:			
From local sources:			
Charges for services	\$0	\$0	\$0
Earnings on investments	0	0	0
Extracurricular activities	0	0	0
Other local revenues	0	0	0
Intergovernmental	18,000	44,082	1,341,547
Total revenues	18,000	44,082	1,341,547
Expenditures:			
Current:			
Instruction:			
Regular	0	0	563,966
Special	0	48,416	925,435
Vocational	0	0	0
Support services:			
Pupil	18,406	0	0
Instructional staff	0	0	11,720
School administration	0	0	66,955
Operations & maintenance	0	0	0
Central	0	0	0
Non-instructional services	0	0	15,655
Extracurricular activities	0	0	0
Capital outlay	0	0	0
Total expenditures	18,406	48,416	1,583,731
Excess (deficiency) of revenues over (under) expenditures	(406)	(4,334)	(242,184)
Other Financing Sources (Uses)			
Transfers in	0	0	0
Total other financing sources (uses)	0	0	0
Net change in fund balances	(406)	(4,334)	(242,184)
Fund balances, July 1, as restated	406	4,303	(15,253)
Fund balance, June 30	\$0	(\$31)	(\$257,437)

<u>Preschool Grant</u>	<u>Improving Teacher Quality</u>	<u>Food Service</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$0	\$0	\$852,316	\$867,701
0	0	385	746
0	0	0	365,940
0	0	60,259	78,477
<u>56,060</u>	<u>220,429</u>	<u>1,206,505</u>	<u>5,179,466</u>
56,060	220,429	2,119,465	6,492,330
0	0	0	1,178,260
56,256	0	0	2,516,619
0	0	0	39,282
0	0	0	122,665
0	182,843	0	237,644
22,668	0	0	109,855
0	4,560	0	4,560
0	70,909	0	70,909
0	0	2,225,215	2,271,992
0	0	0	391,686
0	0	0	19,986
<u>78,924</u>	<u>258,312</u>	<u>2,225,215</u>	<u>6,963,458</u>
<u>(22,864)</u>	<u>(37,883)</u>	<u>(105,750)</u>	<u>(471,128)</u>
0	0	0	166,803
0	0	0	166,803
<u>(22,864)</u>	<u>(37,883)</u>	<u>(105,750)</u>	<u>(304,325)</u>
9,906	36,683	392,652	592,936
<u>(\$12,958)</u>	<u>(\$1,200)</u>	<u>\$286,902</u>	<u>\$288,611</u>

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Mental Health Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$1,000	\$0	\$0	\$0
Total revenues	1,000	0	0	0
EXPENDITURES				
Current:				
Instruction:				
Special	0	0	0	0
Total expenditures	0	0	0	0
Net change in fund balance	1,000	0	0	0
Fund balance - beginning	1,051	1,051	1,051	0
Prior year encumbrances appropriated	0	0	0	0
Fund balance - ending	\$2,051	\$1,051	\$1,051	\$0

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Other Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Donations	\$20,000	\$8,268	\$8,268	\$0
Charges for services	40,000	15,385	15,385	0
Total revenues	60,000	23,653	23,653	0
EXPENDITURES				
Current:				
Instruction:				
Regular	2,500	8,397	8,397	0
Special	2,500	644	644	0
Support services:				
Pupil	5,482	191	191	0
Instructional staff	21,514	10,060	10,060	0
Total expenditures	31,996	19,292	19,292	0
Excess (deficiency) of revenues over (under) expenditures	28,004	4,361	4,361	0
OTHER FINANCING SOURCES (USES)				
Advances (out)	(4,187)	(4,187)	(4,187)	0
Total other financing sources (uses)	(4,187)	(4,187)	(4,187)	0
Net change in fund balance	23,817	174	174	0
Fund balance - beginning	8,120	8,120	8,120	0
Prior year encumbrances appropriated	596	596	596	0
Fund balance - ending	\$32,533	\$8,890	\$8,890	\$0

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
District Managed Student Activities Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Extracurricular activities	\$594,000	\$246,273	\$246,273	\$0
Gifts & donations	120,000	121,347	121,347	0
Total revenues	<u>714,000</u>	<u>367,620</u>	<u>367,620</u>	<u>0</u>
EXPENDITURES				
Current:				
Extracurricular activities				
Academic oriented activities	80,331	66,839	66,839	0
Occupation oriented activities	550	400	400	0
Sport oriented activities	583,706	360,157	360,157	0
Capital Outlay				
Other facilities acquisition & construction	50,000	20,000	20,000	0
Total expenditures	<u>714,587</u>	<u>447,396</u>	<u>447,396</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(587)</u>	<u>(79,776)</u>	<u>(79,776)</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	115,000	166,803	166,803	0
Total other financing sources (uses)	<u>115,000</u>	<u>166,803</u>	<u>166,803</u>	<u>0</u>
Net change in fund balance	<u>114,413</u>	<u>87,027</u>	<u>87,027</u>	<u>0</u>
Fund balance - beginning	171,627	171,627	171,627	0
Prior year encumbrances appropriated	19,600	19,600	19,600	0
Fund balance - ending	<u>\$305,640</u>	<u>\$278,254</u>	<u>\$278,254</u>	<u>\$0</u>

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Auxiliary Services Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$754,500	\$748,230	\$748,230	\$0
Interest	500	361	361	0
Total revenues	<u>755,000</u>	<u>748,591</u>	<u>748,591</u>	<u>0</u>
EXPENDITURES				
Current:				
Instruction:				
Regular	885,596	805,036	805,036	0
Support services:				
Pupil	<u>79,488</u>	<u>57,107</u>	<u>57,107</u>	<u>0</u>
Total expenditures	<u>965,084</u>	<u>862,143</u>	<u>862,143</u>	<u>0</u>
Net change in fund balance	<u>(210,084)</u>	<u>(113,552)</u>	<u>(113,552)</u>	<u>0</u>
Fund balance - beginning	26,192	26,192	26,192	0
Prior year encumbrances appropriated	<u>220,724</u>	<u>220,724</u>	<u>220,724</u>	<u>0</u>
Fund balance - ending	<u>\$36,832</u>	<u>\$133,364</u>	<u>\$133,364</u>	<u>\$0</u>

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Education Management Information System Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$0	\$0	\$0	\$0
Total revenues	0	0	0	0
EXPENDITURES				
Current:				
Support services:				
Central	0	10,800	10,800	0
Total expenditures	0	10,800	10,800	0
Net change in fund balance	0	(10,800)	(10,800)	0
Fund balance - beginning	10,800	10,800	10,800	0
Prior year encumbrances appropriated	0	0	0	0
Fund balance - ending	\$10,800	\$0	\$0	\$0

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Network Connectivity Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$24,000	\$21,600	\$21,600	\$0
Total revenues	24,000	21,600	21,600	0
EXPENDITURES				
Current:				
Instruction:				
Regular	21,600	21,600	21,600	0
Total expenditures	21,600	21,600	21,600	0
Net change in fund balance	2,400	0	0	0
Fund balance - beginning	0	0	0	0
Prior year encumbrances appropriated	0	0	0	0
Fund balance - ending	\$2,400	\$0	\$0	\$0

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Resident Educator Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$15,000	\$19,250	\$19,250	\$0
Total revenues	15,000	19,250	19,250	0
EXPENDITURES				
Current:				
Support services:				
Instructional staff	8,400	24,861	24,861	0
Total expenditures	8,400	24,861	24,861	0
Net change in fund balance	6,600	(5,611)	(5,611)	0
Fund balance - beginning	5,911	5,911	5,911	0
Prior year encumbrances appropriated	0	0	0	0
Fund balance - ending	\$12,511	\$300	\$300	\$0

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title VIB Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$2,300,000	\$1,601,534	\$1,601,534	\$0
Total revenues	<u>2,300,000</u>	<u>1,601,534</u>	<u>1,601,534</u>	<u>0</u>
EXPENDITURES				
Current:				
Instruction:				
Regular	1,448,437	1,368,646	1,368,646	0
Vocational	72,439	34,268	34,268	0
Support services:				
Pupil	86,394	42,512	42,512	0
Instructional staff	6,956	752	752	0
School administration	71,455	30,943	30,943	0
Community services	74,278	31,122	31,122	0
Total expenditures	<u>1,759,959</u>	<u>1,508,243</u>	<u>1,508,243</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>540,041</u>	<u>93,291</u>	<u>93,291</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Advances (out)	(38,905)	(38,905)	(38,905)	0
Total other financing sources (uses)	<u>(38,905)</u>	<u>(38,905)</u>	<u>(38,905)</u>	<u>0</u>
Net change in fund balance	<u>501,136</u>	<u>54,386</u>	<u>54,386</u>	<u>0</u>
Fund balance - beginning	0	0	0	0
Prior year encumbrances appropriated	1,637	1,637	1,637	0
Fund balance - ending	<u>\$502,773</u>	<u>\$56,023</u>	<u>\$56,023</u>	<u>\$0</u>

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Vocational Educational Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$22,000	\$18,000	\$18,000	\$0
Total revenues	22,000	18,000	18,000	0
EXPENDITURES				
Current:				
Support services:				
Pupil	18,372	18,411	18,411	0
Total expenditures	18,372	18,411	18,411	0
Net change in fund balance	3,628	(411)	(411)	0
Fund balance - beginning	39	39	39	0
Prior year encumbrances appropriated	372	372	372	0
Fund balance - ending	\$4,039	\$0	\$0	\$0

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title III Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$50,000	\$44,082	\$44,082	\$0
Total revenues	50,000	44,082	44,082	0
EXPENDITURES				
Current:				
Instruction:				
Special	52,159	47,671	47,671	0
Total expenditures	52,159	47,671	47,671	0
Net change in fund balance	(2,159)	(3,589)	(3,589)	0
Fund balance - beginning	4,303	4,303	4,303	0
Prior year encumbrances appropriated	0	0	0	0
Fund balance - ending	\$2,144	\$714	\$714	\$0

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title I Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$1,700,000	\$1,573,041	\$1,573,041	\$0
Total revenues	<u>1,700,000</u>	<u>1,573,041</u>	<u>1,573,041</u>	<u>0</u>
EXPENDITURES				
Current:				
Instruction:				
Regular	563,182	533,062	533,062	0
Special	1,002,849	936,147	936,147	0
Support services:				
Instructional staff	15,603	12,020	12,020	0
School administration	85,314	74,685	74,685	0
Community services	16,865	15,655	15,655	0
Total expenditures	<u>1,683,813</u>	<u>1,571,569</u>	<u>1,571,569</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,187</u>	<u>1,472</u>	<u>1,472</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Advances in	0	10,499	10,499	0
Advances (out)	(16,462)	(16,462)	(16,462)	0
Total other financing sources (uses)	<u>(16,462)</u>	<u>(5,963)</u>	<u>(5,963)</u>	<u>0</u>
Net change in fund balance	<u>(275)</u>	<u>(4,491)</u>	<u>(4,491)</u>	<u>0</u>
Fund balance - beginning	0	0	0	0
Prior year encumbrances appropriated	4,491	4,491	4,491	0
Fund balance - ending	<u>\$4,216</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Preschool Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$80,000	\$74,116	\$74,116	\$0
Total revenues	80,000	74,116	74,116	0
EXPENDITURES				
Current:				
Instruction:				
Special	52,856	53,502	53,502	0
Support services:				
School administration	19,732	22,516	22,516	0
Total expenditures	72,588	76,018	76,018	0
Net change in fund balance	7,412	(1,902)	(1,902)	0
Fund balance - beginning	3,346	3,346	3,346	0
Prior year encumbrances appropriated	0	0	0	0
Fund balance - ending	\$10,758	\$1,444	\$1,444	\$0

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Improving Teacher Quality Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$292,000	\$256,372	\$256,372	\$0
Total revenues	<u>292,000</u>	<u>256,372</u>	<u>256,372</u>	<u>0</u>
EXPENDITURES				
Current:				
Support services:				
Instructional staff	197,475	182,123	182,123	0
Operations and maintenance	6,912	4,560	4,560	0
Central	75,130	70,909	70,909	0
Total expenditures	<u>279,517</u>	<u>257,592</u>	<u>257,592</u>	<u>0</u>
Net change in fund balance	<u>12,483</u>	<u>(1,220)</u>	<u>(1,220)</u>	<u>0</u>
Fund balance - beginning	0	0	0	0
Prior year encumbrances appropriated	1,220	1,220	1,220	0
Fund balance - ending	<u>\$13,703</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Food Service Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$1,355,900	\$1,271,702	\$1,271,702	\$0
Interest	2,900	386	386	0
Charges for services	1,132,554	852,936	852,936	0
Other revenues	8,646	55,595	55,595	0
Total revenues	<u>2,500,000</u>	<u>2,180,619</u>	<u>2,180,619</u>	<u>0</u>
EXPENDITURES				
Current:				
Operation of Non-Instructional Services:				
Food Service Operations	<u>2,506,452</u>	<u>2,307,053</u>	<u>2,307,053</u>	<u>0</u>
Total expenditures	<u>2,506,452</u>	<u>2,307,053</u>	<u>2,307,053</u>	<u>0</u>
Net change in fund balance	<u>(6,452)</u>	<u>(126,434)</u>	<u>(126,434)</u>	<u>0</u>
Fund balance - beginning	255,049	255,049	255,049	0
Prior year encumbrances appropriated	<u>23,355</u>	<u>23,355</u>	<u>23,355</u>	<u>0</u>
Fund balance - ending	<u>\$271,952</u>	<u>\$151,970</u>	<u>\$151,970</u>	<u>\$0</u>

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$2,558,958	\$2,337,041	\$2,337,041	\$0
Intergovernmental	237,600	345,377	345,377	0
Total revenues	<u>2,796,558</u>	<u>2,682,418</u>	<u>2,682,418</u>	<u>0</u>
EXPENDITURES				
Current:				
Support services:				
Fiscal	40,577	40,577	40,577	0
Debt Service:				
Principal	745,000	745,000	745,000	0
Interest	2,130,698	2,093,988	2,093,988	0
Total expenditures	<u>2,916,275</u>	<u>2,879,565</u>	<u>2,879,565</u>	<u>0</u>
Net change in fund balance	<u>(119,717)</u>	<u>(197,147)</u>	<u>(197,147)</u>	<u>0</u>
Fund balance - beginning	3,695,009	3,695,009	3,695,009	0
Prior year encumbrances appropriated	0	0	0	0
Fund balance - ending	<u>\$3,575,292</u>	<u>\$3,497,862</u>	<u>\$3,497,862</u>	<u>\$0</u>

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Building Capital Projects Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Earnings on Investments	\$200	\$0	\$0	\$0
Total revenues	200	0	0	0
EXPENDITURES				
Capital Outlay				
Building acquisition & construction	225,000	0	0	0
Total expenditures	225,000	0	0	0
Net change in fund balance	(224,800)	0	0	0
Fund balance - beginning	1,612,654	1,612,654	1,612,654	0
Prior year encumbrances appropriated	0	0	0	0
Fund balance - ending	<u>\$1,387,854</u>	<u>\$1,612,654</u>	<u>\$1,612,654</u>	<u>\$0</u>

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Permanent Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$4,755,586	\$4,343,212	\$4,343,212	\$0
Intergovernmental	441,414	751,914	751,914	0
Interest	3,000	7,236	7,236	0
Total revenues	<u>5,200,000</u>	<u>5,102,362</u>	<u>5,102,362</u>	<u>0</u>
EXPENDITURES				
Current:				
Instruction:				
Regular	400,000	391,097	391,097	0
Support services:				
Pupil	1,000	915	915	0
Instructional staff	3,145,000	3,154,894	3,154,894	0
School administration	1,000	1,170	1,170	0
Fiscal	75,000	79,077	79,077	0
Operations and maintenance	1,250,000	1,247,293	1,247,293	0
Pupil transportation	50,000	38,751	38,751	0
Extracurricular Activities:				
Academic oriented activities	25,000	20,657	20,657	0
Sport oriented activities	1,200	1,535	1,535	0
Capital Outlay				
Site improvement	205,000	199,064	199,064	0
Building acquisition & construction	7,000	6,678	6,678	0
Building improvement	1,040,000	1,035,156	1,035,156	0
Other facilities acquisition & construction	100,000	99,415	99,415	0
Debt Service				
Principal	72,000	72,000	72,000	0
Interest	40,260	40,682	40,682	0
Total expenditures	<u>6,412,460</u>	<u>6,388,384</u>	<u>6,388,384</u>	<u>0</u>
Net change in fund balance	<u>(1,212,460)</u>	<u>(1,286,022)</u>	<u>(1,286,022)</u>	<u>0</u>
Fund balance - beginning	3,397,890	3,397,890	3,397,890	0
Prior year encumbrances appropriated	1,732,620	1,732,620	1,732,620	0
Fund balance - ending	<u>\$3,918,050</u>	<u>\$3,844,488</u>	<u>\$3,844,488</u>	<u>\$0</u>

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Public School Support
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Tuition and fees	\$135,000	\$126,243	\$126,243	\$0
Extracurricular activities	30,000	17,320	17,320	0
Donations	35,000	29,951	29,951	0
Other revenues	100,000	94,880	94,880	0
Total revenues	<u>300,000</u>	<u>268,394</u>	<u>268,394</u>	<u>0</u>
EXPENDITURES				
Current:				
Instruction:				
Regular	48,994	53,900	53,900	0
Support services:				
Pupil	169,361	168,677	168,677	0
Extracurricular activities:				
Co-Curricular activities	675	200	200	0
Total expenditures	<u>219,030</u>	<u>222,777</u>	<u>222,777</u>	<u>0</u>
Net change in fund balance	<u>80,970</u>	<u>45,617</u>	<u>45,617</u>	<u>0</u>
Fund balance - beginning	393,754	393,754	393,754	0
Prior year encumbrances appropriated	19,638	19,638	19,638	0
Fund balance - ending	<u>\$494,362</u>	<u>\$459,009</u>	<u>\$459,009</u>	<u>\$0</u>

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Uniform School Supply
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Tuition and fees	\$515,000	\$484,959	\$484,959	\$0
Gifts & Donations	15,000	2,933	2,933	0
Total revenues	<u>530,000</u>	<u>487,892</u>	<u>487,892</u>	<u>0</u>
EXPENDITURES				
Current:				
Instruction:				
Regular	467,805	498,668	498,668	0
Total expenditures	<u>467,805</u>	<u>498,668</u>	<u>498,668</u>	<u>0</u>
Net change in fund balance	<u>62,195</u>	<u>(10,776)</u>	<u>(10,776)</u>	<u>0</u>
Fund balance - beginning	400,760	400,760	400,760	0
Prior year encumbrances appropriated	22,836	22,836	22,836	0
Fund balance - ending	<u>\$485,791</u>	<u>\$412,820</u>	<u>\$412,820</u>	<u>\$0</u>

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Student Activity			
	Beginning Balance	Additions	Deductions	Ending Balance
ASSETS:				
Equity in pooled cash and investments	\$113,615	\$181,903	\$162,667	\$132,851
TOTAL ASSETS	\$113,615	\$181,903	\$162,667	\$132,851
LIABILITIES AND FUND BALANCE:				
Due to student groups	\$113,615	\$181,903	\$162,667	\$132,851
TOTAL LIABILITIES	\$113,615	\$181,903	\$162,667	\$132,851

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APPENDIX C

Five Year Projections

West Clermont Local School District

Clermont

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2013, 2014 and 2015 Actual;
Forecasted Fiscal Years Ending June 30, 2016 Through 2020

	Actual				Forecasted				
	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Average Change	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Revenues									
1.010 General Property Tax (Real Estate)	\$37,240,487	\$32,586,606	\$34,995,669	-2.6%	\$34,995,669	\$35,125,153	\$35,255,116	\$35,385,560	\$35,516,487
1.020 Tangible Personal Property Tax	5,309	7,155		-32.6%					
1.035 Unrestricted State Grants-in-Aid	22,985,152	24,669,440	27,047,749	8.5%	27,047,749	28,051,144	28,051,144	28,051,144	28,051,144
1.040 Restricted State Grants-in-Aid	154,653	603,161	1,065,597	183.3%	1,065,597	1,065,597	1,065,597	1,065,597	1,065,597
1.045 Restricted Federal Grants-in-Aid - SFSF									
1.050 Property Tax Allocation	4,831,462	5,041,909	5,046,623	2.2%	5,046,623	4,227,475	4,248,612	4,269,855	4,291,205
1.060 All Other Revenues	1,539,822	2,407,263	2,045,566	20.7%	1,989,270	2,006,058	2,014,277	2,022,540	2,030,572
1.070 Total Revenues	66,756,885	65,315,534	70,201,204	2.7%	70,144,908	70,475,427	70,634,746	70,794,696	70,955,005
Other Financing Sources									
2.050 Advances-In	491,627	59,553	10,499	-85.1%	3,302,793				
2.070 Total Other Financing Sources	491,627	59,553	10,499	-85.1%	3,302,793				
2.080 Total Revenues and Other Financing Sources	67,248,512	65,375,087	70,211,703	2.3%	73,447,701	70,475,427	70,634,746	70,794,696	70,955,005
Expenditures									
3.010 Personal Services	33,137,387	30,874,985	30,410,897	-4.2%	30,903,408	31,199,118	31,500,743	31,808,399	32,122,209
3.020 Employees' Retirement/Insurance Benefits	14,047,898	13,227,607	11,983,752	-7.6%	13,577,585	14,328,081	15,131,902	15,993,180	16,916,376
3.030 Purchased Services	15,378,560	16,612,579	17,463,394	6.6%	19,091,811	19,776,319	20,486,948	21,224,764	21,990,874
3.040 Supplies and Materials	654,240	560,446	748,804	9.6%	763,780	779,056	794,637	810,530	826,740
3.050 Capital Outlay	45,241	22,435	620,442	1307.5%	632,851	645,508	658,418	671,586	685,018
4.300 Other Objects	1,029,683	893,321	861,942	-8.4%	879,181	896,764	914,700	932,994	951,654
4.500 Total Expenditures	64,293,009	62,191,373	62,089,231	-1.7%	65,848,616	67,624,846	69,487,347	71,441,453	73,492,871
Other Financing Uses									
5.010 Operating Transfers-Out	119,076	166,803	325,824	67.7%	325,204	337,237	349,714	362,654	376,072
5.020 Advances-Out	59,553	10,499	3,302,793	15637.9%					
5.040 Total Other Financing Uses	178,629	177,302	3,628,617	972.9%	325,204	337,237	349,714	362,654	376,072
5.050 Total Expenditures and Other Financing Uses	64,471,638	62,368,675	65,717,848	1.1%	66,173,820	67,962,083	69,837,061	71,804,107	73,868,943
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	2,776,874	3,006,412	4,493,855	28.9%	7,273,881	2,513,344	797,685	1,009,410	2,913,938
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	1,830,240	4,607,114	7,613,526	108.5%	12,107,381	19,381,262	21,894,607	22,692,292	21,682,881
7.020 Cash Balance June 30	4,607,114	7,613,526	12,107,381	62.1%	19,381,262	21,894,607	22,692,292	21,682,881	18,768,943
8.010 Estimated Encumbrances June 30	1,192,531	614,546	837,915	-6.1%	800,000	800,000	800,000	800,000	800,000
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	3,414,583	6,998,980	11,269,466	83.0%	18,581,262	21,094,607	21,892,292	20,882,881	17,968,943
Revenue from Replacement/Renewal Levies									
11.010 Income Tax - Renewal									
11.020 Property Tax - Renewal or Replacement									
11.300 Cumulative Balance of Replacement/Renewal Levies									
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	3,414,583	6,998,980	11,269,466	83.0%	18,581,262	21,094,607	21,892,292	20,882,881	17,968,943
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	3,414,583	6,998,980	11,269,466	83.0%	18,581,262	21,094,607	21,892,292	20,882,881	17,968,943
ADM Forecasts									
20.010 Kindergarten - October Count	743	740	662	-5.5%	652	652	652	652	652
20.015 Grades 1-12 - October Count	8,459	8,210	7,982	-2.9%	7753	7753	7753	7753	7753
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

The form of the legal approving opinion of Bricker and Eckler LLP Bond Counsel, is set forth below. The actual opinion will be delivered on the date of initial delivery of the 2015 Bonds and may vary from the form set forth to reflect circumstances both factual and legal at the time of such delivery. Recirculation of the final Official Statement shall create no implication that Bricker and Eckler LLP has review any of the matters set forth in such opinion subsequent to the date of such opinion.

APPENDIX D

Draft Opinion of Bond Counsel

(Closing Date)

Fifth Third Securities, Inc.
Cincinnati, Ohio

We have acted as Bond Counsel to the West Clermont Local School District, Clermont County, Ohio (the "School District") in connection with the matters discussed herein. We have examined the transcript of proceedings (the "Transcript") relating to the execution and delivery of \$99,255,000 aggregate principal amount of Clermont County Port Authority Lease Revenue Bonds (West Clermont Local School District Project), Series 2015 (the "2015 Bonds"). The 2015 Bonds are issued under a Trust Indenture, dated October 1, 2015 (the "Trust Indenture"), between the Clermont County Port Authority (the "Lessor") and U.S. Bank National Association, as Trustee (the "Trustee"). Each of the 2015 Bonds represents a fractionalized interest in the obligation of the School District to make certain lease payments (the "Lease Payments") under a renewable Lease Agreement, dated October 1, 2015, (the "Lease"), between the Lessor, as lessor, and the School District, as lessee, relating to the acquisition, construction, improvement, furnishing and equipping of school facilities (the "Project Facilities") by the School District and located on certain lands (the "Project Site") in the School District and to be leased by the School District pursuant to the Lease. The School District has, pursuant to a Ground Lease Agreement, dated October 1, 2015 (the "Ground Lease"), leased the Project Site to the Lessor. The Lessor has, pursuant to the Lease, subleased the Project Site and the Project Facilities (collectively, the "Project") to the School District. The Lessor has irrevocably assigned and transferred without recourse all of its rights, title and interest in the Project, the Ground Lease, and the Lease to the Trustee pursuant to a Lease Assignment Agreement, dated October 1, 2015 (the "Lease Assignment"), between the Lessor and the Trustee.

In the Lease, a portion of the Lease Payments is designated as principal and a portion is designated as interest. Lease Payments are calculated to be sufficient in time and amount to pay, when due, the principal of and interest on the 2015 Bonds if the Lease is successively renewed through December 1, 2053. The School District is required, in the Lease, to make Lease Payments to the Trustee, and the Trustee is required to distribute Lease Payments to the owners of the 2015 Bonds as provided in the Trust Indenture.

The School District is not a party to the Trust Indenture or the 2015 Bonds.

Based upon the foregoing, we are of the opinion that, as of the date hereof, under existing federal and State statutes, as now judicially construed, together with existing published regulations, rulings, and court decisions:

1. The Ground Lease, the Lease, the Lease Assignment, and the Trust Indenture, are legal, valid and binding obligations of the parties thereto, enforceable against the parties thereto in accordance with their respective terms, except that the binding effect and enforceability thereof are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting the rights of creditors generally, and except to the extent that the enforceability thereof may be limited by the application of general principles of equity.
2. The 2015 Bonds have been duly authorized, executed and delivered by the Lessor, and are enforceable in accordance with their terms, except that the binding effect and enforceability thereof are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting the rights of creditors generally, and except to the extent that the enforceability thereof may be limited by the application of general principles of equity.
3. Neither the 2015 Bonds nor the obligations of the School District under the Lease, including, but not limited to, the obligation to make Lease Payments, constitute a debt of the School District or of the State of Ohio within the meaning of any constitutional or statutory provision.
4. The interest portion of Lease Payments (the "Interest") is excluded from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and is not treated as an item of tax preference under Section 57 of the Code for purposes of the alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), the Interest is taken into account in determining adjusted current earnings. The opinion set forth in the preceding sentence is subject to the condition that the School District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the 2015 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The School District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the 2015 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the 2015 Bonds
5. While the Lease is in effect, the Interest and the transfer, and any profit made on the sale or other disposition, of the 2015 Bonds, are exempt from the 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.

We express no opinion regarding other federal or state tax consequences arising with respect to the 2015 Bonds. We do not express any opinion as to whether the interest on the 2015 Bonds paid (i) from sources other than the Interest or (ii) after the termination of the Lease, will be excludable from gross income for federal income tax purposes or from certain taxes in Ohio.

In giving the foregoing opinions, we have assumed and relied upon compliance by the School District and the Lessor with the covenants and the accuracy, which we have not independently verified, of the representations and certifications of the School District and the Lessor contained in the Transcript. The accuracy of those representations and certifications and the School District's and the Lessor's compliance with those covenants may be necessary for the Interest to be and remain excluded from gross income for purposes of federal income taxation and for the other tax effects stated above. Failure to comply with certain requirements subsequent to the issuance of the 2015 Bonds could cause the Interest to be included in gross income for purposes of federal income taxation retroactively to the date of the 2015 Bonds.

We have made no examination of the title to either the realty or the personalty comprising the Project, and we express no opinion respecting the title to either the realty or personalty comprising the Project or to the priority of any lien thereon or security interest therein.

We do not undertake to advise you of matters which might come to our attention subsequent to the date hereof which may affect our legal opinions expressed herein. We bring to your attention that our legal opinions are an expression of our professional judgment and not a guarantee of a result.

Very truly yours,

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Appendix E

Master Definition List and Summary of Principal Documents

The following are descriptions of certain provisions of the Trust Indenture. These descriptions are only brief outlines of some of the provisions of the Trust Indenture and do not purport to completely summarize those provisions or to describe all of the provisions of the Trust Indenture. Reference is made to the Trust Indenture for its complete terms. Copies of the Trust Indenture are available from the office of the Fiscal Officer of the Port or the Underwriter, or may be inspected at the principal corporate trust office of the Trustee.

Definitions

"2015 Bonds" means the 2015 Bonds authorized by and secured under the Trust Indenture, including \$99,225,000 aggregate principal amount of Lease Revenue Bonds (West Clermont Local School District Project), Series 2015, dated the Closing Date.

"Additional Bonds" means any bonds that may be issued pursuant to Section 3.12 of the Trust Indenture.

"Additional Rent" means Additional Rent as defined in the Lease.

"Additional Sites" means the real estate described in Exhibit B to the Lease and any additions thereto, less any removals therefrom, made in the manner and to the extent provided in the Trust Indenture.

"Assignment" means the Lease Assignment Agreement, dated the Closing Date, between the Port and the Trustee under which the Port assigns and transfers its rights, title and interest in the Project under the Ground Lease and the Lease to the Trustee.

"Authorized Issuer Officer" means the person designated at the time as "Authorized Officer" pursuant to the Lease to act on behalf of the Port.

"Authorized School District Officer" means the person designated at the time as "Authorized Officer" pursuant to the Lease to act on behalf of the School District.

"Base Rent" means Base Rent as defined in the Lease.

"Board" means the Board of Education of the School District.

"Bond Fund" means the Bond Fund created in Section 5.2 of the Trust Indenture.

"Bond Insurer" or "BAM" means Build America Mutual Insurance Company or any successor thereto.

"Bond Reserve Fund" means the Bond Reserve Fund created by Section 5.07.

"Bond Reserve Fund Facility" means a letter of credit, surety bond or other credit facility that, if determined by the Authorized Issuer Officer to be the most economical manner of providing all or part of the Bond Reserve Requirement, is issued by a Bond Reserve Fund Facility Provider for the benefit of the

Holders of the Bonds and that guarantees or assures the timely payment of principal of and interest on the Bonds, subject only to notification that there are insufficient funds for such payment. The Bond Reserve Fund Facility (a) shall be in a stated amount that, when added to the funds, if any, deposited in the Bond Reserve Fund, will equal the Bond Reserve Requirement and (b) shall either remain in effect so long as the Bond Reserve Requirement, which in whole or in part is met by the Bond Reserve Fund Facility, continues or shall provide for a draw by the Trustee or payment thereunder for deposit in the Bond Reserve Fund at or prior to the expiration of the Bond Reserve Fund Facility (unless renewed or replaced by a new Bond Reserve Fund Facility) in an amount equal to the stated amount.

"Bond Reserve Fund Facility Provider" means the Person issuing a Bond Reserve Fund Facility.

"Bond Reserve Requirement" means, as to the 2015 Bonds, the least of (i) the maximum annual Bond Service Charges on the 2015 Bonds, (ii) 125 percent of the average annual Bond Service Charges on the 2015 Bonds, or (iii) 10 percent of the proceeds of the 2015 Bonds (computed for this purpose as the "issue price" of the 2015 Bonds within the meaning of Section 1273(b) of the Code, less accrued interest), and as to any Additional Bonds, the amount set forth in the applicable Resolution.

"Bonds" means the 2015 Bonds and any Additional Bonds.

"Bond Service Charges" means, for any period or payable at any time, the principal of and interest and premium, if any, on the Bonds for that period or payable at that time whether due at maturity or upon acceleration.

"Book-entry System" means a form of system under which (i) the beneficial right to payment of principal of and interest on the Bonds may be transferred only through a book-entry and (ii) physical Bonds in fully registered form are issued only to the Depository or its nominee as registered owner, with the Bonds "immobilized" in the custody of the Depository, and the book-entry is the record that identifies the owners of the beneficial interest in the Bonds.

"Business Day" means a day of the year, other than (a) a Saturday; (b) a Sunday; (c) a day on which commercial banks located in any city in which the principal corporate trust office of the Trustee is located are required or authorized by law to remain closed; or (d) a day on which the New York Stock Exchange is closed.

"Closing Date" means October 1, 2015.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor internal revenue laws of the United States enacted by the Congress of the United States in replacement thereof. References to the Code and sections of the Code include relevant applicable regulations, temporary regulations and proposed regulations thereunder and any successor provisions to those sections, regulations, temporary regulations or proposed regulations.

"Construction Terms" means the terms and conditions for the acquisition, construction, improvement, furnishing, and equipping of the Project Facilities set forth in the Lease as Exhibit D thereto.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement dated as of October 1, 2015 between the Issuer and the School District.

"DTC" means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"DTC Participant" means banks, brokers and dealers, trust companies, clearing corporations, and certain other organizations who are participants of DTC.

"Defeasance Obligations" means any Direct Obligations.

"Depository" means any securities depository that is a clearing agency under federal law operating and maintaining, together with its participants, a book-entry system to record beneficial ownership of Bonds and to affect transfers of Bonds, in book-entry form, and includes The Depository Trust Company or its successor.

"Designated Office" used with respect to the Trustee, means the designated corporate office of the Trustee, initially located in Cincinnati, Ohio, at which the Trustee conducts its corporate trust business.

"Direct Obligations" means non-callable, direct obligations of the United States of America and securities, the timely payment of the principal of and interest on which is fully and unconditionally guaranteed by the United States of America, or as otherwise may be authorized under the laws of the State and approved by the Bond Insurer.

"Eligible Investments" means any of the following:

- (a) bonds, notes or other obligations of, or obligations guaranteed by, the United States of America, or those for which the faith of the United States of America is pledged for the payment of principal and interest thereon;
- (b) bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;
- (c) interim deposits fully insured by the Federal Deposit Insurance Corporation in the eligible institutions applying for interim moneys as provided under Chapter 135 of the Ohio Revised Code and which eligible institutions have capital and surplus of at least \$15 million;
- (d) bonds and other obligations of the State;
- (e) no-load money market mutual funds, including, without limitation, any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (1) the Trustee or an affiliate of the Trustee receives fees from such funds for services rendered, (2) the Trustee charges and collects fees for services rendered pursuant to the Trust Indenture, which fees are, separate from the fees received and such funds, and (3) services performed for such funds and pursuant to the Trust Indenture may at times duplicate those provided to such funds by the Trustee or its affiliates, rated in either of the two highest rating classifications by Moody's Investors Service, Inc. or Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc., and consisting exclusively of obligations described in clauses (a) or (b) above and repurchase agreements secured by such obligations; and

(f) the Ohio Subdivisions' Investment Fund created and administered by the Treasurer of the State of Ohio pursuant to Section 135.45 of the Ohio Revised Code (known as "STAR Ohio").

"Event of Default" means an Event of Default under Section 7.1 of the Trust Indenture.

"Extraordinary Services" and "Extraordinary Expenses" mean all services rendered and all reasonable expenses, including, but not limited to attorneys' fees and expenses, properly incurred by the Trustee, as such and as Registrar and Paying Agent, under the Trust Indenture, other than Ordinary Services and Ordinary Expenses.

"Ground Lease" means the Ground Lease Agreement, dated the Closing Date, between School District and the Port, pursuant to which the School District, as the Port, leases the Project Site and additional property, as described in such Ground Lease, to the Port, as the lessee.

"Holder" or "Holder of a Bond" means the Person in whose name a Bond is registered on the Register.

"Insured Obligations" means the 2015 Bonds.

"Insurer Default" means: (i) BAM has failed to make any payment under the Policy when due and owing in accordance with its terms; (ii) BAM shall (a) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (b) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (c) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (d) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (e) make a general assignment for the benefit of creditors, or (f) take action for the purpose of effecting any of the foregoing; or (iii) any state or federal agency or instrumentality shall order the suspension of payments on the Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

"Interest Payment Date" or "Interest Payment Dates" means June 1 and December 1 of each year, commencing December 1, 2015.

"Interest Rate for Advances" means that rate per annum which is [___] ([___]) percentage point in excess of that interest rate per annum announced by the Trustee at the time in its lending capacity as a bank as its "prime rate" or its "base rate," or if it has no such rates, such rates of the largest bank with which it is affiliated.

"Issuer" means the Clermont County Port Authority, port authority and political subdivision under the laws of the State of Ohio.

"Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in The City of New York, New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Obligations and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of

such other bank, banking association or trust company as BAM, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to BAM shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

"Lease" means the Lease, dated the Closing Date, between the Port, and the School District, as lessee, as amended or supplemented from time to time in accordance with its terms, pursuant to which the Project Site and all improvements thereon are leased back to the School District.

"Lease Payments" means the amounts required to be paid to the Port by the School District pursuant to the Lease.

"Lease Payment Account" means the Lease Payment Account established pursuant to Section 5.2 of the Trust Indenture as an account within the Bond Fund, to receive Lease Payments.

"Lease Payment Date" means Lease Payment Date as defined in the Lease.

"Lessor" means, the Port, under the terms of the Lease Agreement, and its lawful successors and assigns, including specifically the Trustee by virtue of the Assignment and the circumstances described in the Trust Indenture.

"Municipal Bond Insurance Policy" means the Municipal Bond Insurance Policy issued by the Bond Insurer assuring the payment when due of principal of and interest on the 2015 Bonds.

"Opinion of Counsel" means an opinion in writing signed by legal counsel selected by the School District and who may be an employee of or counsel to the School District and who shall be satisfactory to the Trustee in its reasonable discretion.

"Ordinary Services" and "Ordinary Expenses" mean those services normally rendered, and those expenses normally incurred, by a trustee, registrar or paying agent under instruments similar to the Trust Indenture.

"Outstanding Bonds," "Bonds outstanding" or "outstanding" as applied to Bonds mean, as of the applicable date, all Bonds which have been authenticated and delivered, or which are being issued by the Port under the Trust Indenture, except:

- (a) Bonds canceled upon surrender, exchange or transfer, or canceled because of payment or redemption on or prior to that date;
- (b) Bonds, or portions thereof, for the payment, redemption or purchase for cancellation of which sufficient money has been deposited and credited with the Trustee on or prior to that date for that purpose (whether upon or prior to the maturity date of those Bonds);
- (c) Bonds, or portions thereof, which are deemed to have been paid and discharged or caused to have been paid and discharged pursuant to the provisions of the Trust Indenture; and
- (d) Bonds in lieu of which others have been authenticated and delivered under Section 3.10 of the Trust Indenture.

"Paying Agent" means the Trustee acting in that capacity.

"Payment Date" means June 1 and December 1 of each year, commencing December 1, 2015 and ending December 1, 2050.

"Person," or words importing "persons," mean firms, associations, partnerships (including without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, public or governmental bodies, other legal entities and natural persons.

"Policy" means the Municipal Bond Insurance Policy.

"Predecessor Bond" of any particular Bond means every previous Bond evidencing all or a portion of the same proportionate interest in the Lease Payments as that evidenced by the particular Bond. For the purposes of this definition, any Bond authenticated and delivered under Section 3.9 in lieu of a lost, stolen or destroyed Bond shall, except as otherwise provided in Section 3.9, be deemed to evidence the same proportionate interest in the Lease Payments as the lost, stolen or destroyed Bond.

"Project" means, collectively, the Project Site and the Project Facilities.

"Project Architect" means an architect licensed to practice architecture in the State of Ohio and designated by the School District for purposes of the Project.

"Project Costs" means costs incurred directly or indirectly for or in connection with the acquisition, construction, improvement, furnishing, and equipping of the Project, including but not limited to: costs incurred in respect of preliminary planning studies; fees for legal, engineering, accounting, consulting, supervisory and other services; costs of labor, services and materials; inspection costs; permit fees; filing and recording costs; reproduction and mailing costs; initial fees and charges of the Trustee; printing, safekeeping and delivery costs relating to the 2015 Bonds; and any other costs, expenses, fees and charges properly chargeable to the cost of acquiring, constructing, improving, furnishing, equipping, or financing of the Project, including costs of issuance of the 2015 Bonds.

"Project Facilities" means the school facilities described in Exhibit B to the Lease (and more particularly described in the Construction Terms), together with any additions, modifications and substitutions to those facilities.

"Project Fund" means the Project Fund created under Section 8 of the Lease and held by the School District.

"Project Site" means the real estate described in Exhibit A to the Lease and any additions thereto, less any removals therefrom, made in the manner and to the extent provided in the Trust Indenture.

"Purchase Agreement" means the Bond Purchase Agreement, dated the Closing Date, among the Port, the Trustee, the School District, and the Underwriter.

"Register" means the books kept and maintained by the Registrar for registration and transfer of Bonds pursuant to Article III of the Trust Indenture.

"Registrar" means the Trustee acting in that capacity.

"Resolution" means Resolution 2015-05 passed by the Port on September 2, 2015, which approved the issuance of the 2015 Bonds and the transactions contemplated by the Ground Lease, the Lease, the Trust Indenture, the Assignment, and the other documents relating thereto.

"Revenues" means (a) all moneys received or to be received by the Trustee with respect to the Project (other than Lease Payments), including without limitation, all income or other money realized from the lease, sale or other disposition of the Project, (b) any moneys and investments in the Bond Fund (including the Lease Payment Account) and the Bond Reserve Fund, (c) all income and profit from the investment of the foregoing moneys.

"School District" means the West Clermont Local School District, Clermont County, Ohio, a school district and political subdivision organized and existing under the laws of the State, and the Board, where applicable.

"Security Documents" means the Resolution, the Trust Indenture, the Ground Lease, the Lease, the 2015 Bonds, or any additional or supplemental document executed in connection with the Insured Obligations.

"State" means the State of Ohio.

"Supplemental Trust Indenture" means any Trust Indenture supplemental to the Trust Indenture entered into between the Port and the Trustee in accordance with Article VIII of the Trust Indenture.

"Treasurer" means the Treasurer of the School District.

"Trustee" means U.S. Bank, National Association, or any successor Trustee that may become the Trustee pursuant to the applicable provisions of the Trust Indenture.

"Trust Indenture" means the Trust Indenture between the Port and the Trustee and dated the Closing Date.

"Underwriter" means Fifth Third Securities, Inc.

The Trust Indenture

General Provisions

The 2015 Bonds are issued pursuant to the Trust Indenture. The Trust Indenture provides, among other things, for the form of fully registered bonds, the manner of signing, authenticating and delivery of the 2015 Bonds, the transfer and exchange of 2015 Bonds, and procedures for redemption and payment of the 2015 Bonds. The Trust Indenture also sets forth the duties and responsibilities of the Trustee, its fees, succession on merger or resignation, and the manner of defeasance of the Trust Indenture.

Covenants of the Port

In addition to the covenants described below, the Port has covenanted, among other things, to use the proceeds of the 2015 Bonds for the purpose stated in the Resolution, to perform its obligations under the Trust Indenture, the Bond Legislation and the 2015 Bonds, and to record such documents as may be required by law to preserve and protect the security for the 2015 Bonds.

Creation of Funds

The Funds and accounts described below are established under the Trust Indenture and are designated as indicated. Each Fund is to be maintained in the custody of the Port or the Trustee, as indicated below, as a separate account (except when invested in Eligible Investments). The funds and accounts are:

- (a) the Bond Fund, in the custody of the Trustee, designated the "West Clermont Local School District, Ohio School Project Bond Fund," and within the Bond Fund, an account designated "Lease Payment Account" (the "Lease Payment Account"), and
- (b) the Bond Reserve Fund, in the custody of the Trustee, designated the "West Clermont Local School District, Ohio Bond Reserve Fund."

The Bond Fund and the Bond Reserve Fund will be maintained in the custody of the Trustee as trust funds and will be used, subject to provisions of the Trust Indenture, solely for the payment of Bond Service Charges on the 2015 Bonds, and to the extent provided in the Trust Indenture, for the purchase for cancellation or redemption of 2015 Bonds.

Application of Proceeds of the Bonds

The proceeds of sale of the 2015 Bonds will be allocated and deposited, in accordance with the Bond Legislation, as follows:

- (a) \$98,000,000.00 will be allocated and wired to the School District, to be held in the Project Fund and used to pay the costs of the Project;
- (b) \$98,151.38 will be allocated and wired to the Bond Reserve Fund Facility Provider to pay its fees with respect to funding the Bond Reserve Fund Requirement; and
- (c) \$1,384,545.37 will be allocated and retained by the Underwriter, and used to pay costs of issuance associated with the 2015 Bonds, including the Underwriter's compensation;

The proceeds from the sale of Additional Bonds will be allocated and deposited in the funds in the manner provided in the Bond Legislation or Supplemental Trust Indenture relating to those Additional Bonds.

Bond Reserve Fund

The Bond Reserve Fund with respect to the Bonds will be funded with cash, upon approval by the Bond Insurer, a Bond Reserve Fund Facility, or combination thereof, at closing of the Bonds in an aggregate amount equal to the Bond Reserve Requirement. In the event that the balance in the Bond Reserve Fund falls below the Bond Reserve Requirement at any time which the 2015 Bonds are outstanding, the Port shall immediately transfer from the Revenues to the Trustee for deposit by it into the Bond Reserve Fund an amount equal to cover such deficiency. Thereafter, the Port shall maintain the Bond Reserve Fund at the Bond Reserve Requirement as provided herein.

Additional Bonds

The Port has the right under the Trust Indenture to issue Additional Bonds secured by the Revenues on a parity with the Bonds and secured by a parity pledge of the Lease Payments, the Revenues, the Lease, and the moneys and investments therein to provide for payment of principal of and interest on the Bonds.

Revenues

The Trustee has covenanted not to assign the Revenues or create or authorize to be created any debt, lien, security interest or charge thereon, other than the assignment thereof and security interest therein under the Trust Indenture.

Application of Revenues

From and after the original delivery of the 2015 Bonds and so long as any Bonds remain outstanding, the School District, pursuant to the Lease, will make the Lease Payments to the Trustee, and the Trustee shall deposit the portions of such Lease Payments constituting Base Rent in the Lease Payment Account in the Bond Fund. The Trustee further shall deposit proceeds of insurance or condemnation and all other moneys derived from the reletting or other disposition of the Project Facilities, any penalty payments due pursuant to the Construction Terms and such other amounts as may be paid by the School District to the Trustee pursuant to the Lease in the Lease Payment Account in the Bond Fund.

Bond Service Charges shall be payable as they become due in the following order, (i) from amounts on deposit in the Lease Payment Account in the Bond Fund, (ii) if moneys then on deposit in the Bond Fund and available for that purpose are not sufficient to pay the Bond Service Charges, from other Revenues to the extent then available, and (iii) from any other source lawfully available to the Trustee, including without limitation proceeds from the reletting of the Project in accordance with the Lease.

Fund Investments and Income

Moneys in the Bond Fund shall be invested and reinvested by the Trustee in Eligible Investments at the written direction of the Treasurer. Any investments of moneys held to the credit of the Bond Fund (and the accounts therein) shall mature or be redeemable at the option of the owner or holder not later than the respective dates when the money held to the credit of such Fund (and accounts therein) will be required for the purposes intended. Subject to any directions from the Treasurer with respect thereto, from time to time, the Trustee may sell those investments in the Bond Fund and reinvest the proceeds

therefrom in Eligible Investments maturing or redeemable as aforesaid. Any of those investments may be purchased from or sold to the Trustee or any bank, trust company or savings and loan association affiliated with the Trustee.

The Trustee shall sell or redeem investments credited to the Bond Fund to produce sufficient moneys applicable to and at the times required for the purposes of applying Bond Service Charges when due as aforesaid, and shall do so without necessity for any order on behalf of the School District and without restriction by reason of any order. An investment made from moneys credited to an Account in the Bond Fund shall constitute part of that Account or Fund, and each Account or Fund shall be credited with all proceeds of sale and income from investment of moneys credited thereto. Investment income from investment of the Lease Payment Account shall be retained in that Account and credited against the amount of the Base Rent to be paid by the School District prior to each Lease Payment Date. The Trustee shall report to the School District at least five days prior to each Lease Payment Date the amount of investment income credited or transferred to the Lease Payment Account available to pay Bond Service Charges on the next Payment Date, and the amount of the applicable Base Rent payment by the School District on that Lease Payment Date shall be reduced by the amount so on deposit. Although the School District recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the School District has agreed that confirmations of permitted investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

The Trustee shall not be liable for any loss resulting from the making or disposition of any investment pursuant to the provisions of this Section, and any such losses shall be charged to the Fund and Account with respect to which such investment is made. The value of the obligations in which money in a Fund or Account has been invested shall be computed at market value or the face value thereof, whichever is lower.

Events of Default and Remedies

General

Under the Trust Indenture, each of the following constitutes an "Event of Default":

- (a) Failure to pay interest on any Bond, when and as the same shall have become due and payable; or
- (b) Failure to pay the principal of or any premium on any Bond, when and as the same shall become due and payable, whether at maturity, by acceleration or call for redemption; or
- (c) Failure of the School District to renew the Lease for any Renewal Period as provided therein; or
- (d) Failure to perform or observe duly or punctually any other covenant, condition or agreement contained in the Bonds, or in this Trust Indenture or any Supplemental Trust Indenture and to be performed by the School District, which failure shall have continued for a period of 30 days after written notice specifying the default and requiring same to be remedied has been given to the School District by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the holders of not less than 10 percent of the principal amount of the Bonds then outstanding.

Any declaration of an Event of Default and the exercise of remedies upon any such declaration will be subject to any applicable limitations of federal bankruptcy law affecting or precluding such declaration or exercise during the pendency of or immediately following any insolvency, bankruptcy, liquidation or reorganization proceedings.

Upon the occurrence and continuance of an Event of Default, the Trustee may, and if the Trustee is requested so to do by the Holders of at least 25% in the aggregate principal amount of Bonds outstanding, will exercise all rights and powers conferred to protect the rights of the Holders, including the institution of appropriate judicial proceedings, subject to receiving adequate indemnity pursuant to the Trust Indenture.

Right of Holders to Direct Proceedings

The Holders of at least a majority in aggregate principal amount of Bonds then outstanding shall have the right at any time to direct, by an instrument or document or instruments or documents in writing authenticated and delivered to the Trustee, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Trust Indenture or any other proceedings hereunder; provided, that (i) any direction shall not be other than in accordance with the provisions of law and of this Trust Indenture, (ii) the Trustee shall be indemnified as provided in Section 6.1 and Section 6.2, and (iii) the Trustee may take any other action which it deems to be proper and which is not inconsistent with the direction.

Waivers of Events of Default

The Trustee will waive any Event of Default hereunder and its consequences upon the written request of the Holders of at least a majority in aggregate principal amount of all Bonds then outstanding in respect of which an Event of Default in the payment of debt service charges exists, or at least 25% in aggregate principal amount of all Bonds then outstanding, in the case of any other Event of Default.

There shall not be so waived, however, any Event of Default described in paragraph (a), (b) or (d) under Events of Default and Remedies—General unless at the time of that waiver payments of all Bond Service Charges then due and payable have been made or provision has been made therefor. In the case of such waiver, or in case any suit, action or proceedings taken by the Trustee on account of any Event of Default shall have been discontinued, abandoned or determined adversely to it, the Trustee and the Holders shall be restored to their former positions and rights hereunder, respectively. No waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Limitations on Enforcement of Remedies

Enforcement of the Trust Indenture generally may be limited or delayed in the event of application of bankruptcy laws or other laws affecting creditors' rights, and may be substantially delayed and subject to judicial discretion in the event of litigation or the required use of statutory remedial procedures, and the pledge of the Revenues and assignment of and security interest in the Revenues may be subject to subordination or prior claims in addition to those arising from bankruptcy proceedings. Examples of cases of possible limitations on enforceability, and of possible subordination or prior claims, are (i) statutory liens, (ii) rights arising in favor of the United States or its agencies, (iii) constructive trusts, equitable liens or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction, (iv) rights of third parties in Revenues converted to cash or securities and not in the custody of the Trustee, and (v) federal bankruptcy laws affecting assignments of Revenues earned after any institution of bankruptcy proceedings by the Port.

All rights and remedies provided for in the Trust Indenture may be exercised only to the extent that the exercise does not violate any applicable law, and are limited to the extent necessary so that they will not render the Trust Indenture invalid or unenforceable.

Applications of Money Received Pursuant to Remedial Action

All money received from remedial action taken is to be paid to the Trustee and applied to the payment, in the following order, of: (i) any fees of and all costs, expenses, liabilities and advances paid, incurred or made by the Trustee and the Issuer in taking the remedial action; (ii) to the payment to the Holders entitled thereto of all installments of interest then due on the Bonds; (iii) to the payment to the Holders entitled thereto of the unpaid principal of any Bonds that have become due (other than Bonds previously called for redemption for the payment of which money is held pursuant to the provisions of the Trust Indenture); provided that (as provided in the Trust Indenture) if the principal of all the Bonds is due and payable, then the debt service will be paid equally and ratably among all outstanding Bonds and without preference or priority for principal or interest.

Supplemental Trust Indentures

The Port and the Trustee may enter into Supplemental Trust Indentures, without the consent of or notice to any of the Holders for various purposes including, among others: to cure any ambiguity, inconsistency or formal defect or omission in this Trust Indenture; to grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that lawfully may be granted to or conferred upon the Holders or the Trustee; to assign additional revenues under this Trust Indenture; to accept additional security and instruments and documents of further assurance with respect to the Project; to add to the covenants, agreements and obligations under this Trust Indenture, other covenants, agreements and obligations to be observed for the protection of the Holders, or to surrender or limit any right, power or authority reserved or conferred in this Trust Indenture; to evidence any succession to the Trustee and the assumption by its successor of the covenants, agreements and obligations of the Trustee under this Trust Indenture and the Bonds; to permit the exchange of Bonds, at the option of the Holders thereof, for coupon Bonds payable to the bearer, in an aggregate principal amount not exceeding the unmatured and unredeemed principal amount of the Predecessor Bonds, bearing interest at the same rate or rates and maturing on the same date or dates, with coupons attached representing all unpaid interest due or to become due thereon; to permit the use of a book-entry system to identify the owner of a proportionate interest in the Lease Payments authorized under this Trust Indenture, whether that proportionate interest was formerly, or could be, evidenced by a tangible security; to permit the Trustee to comply with any obligations imposed upon it by law; to specify further the duties and responsibilities of, and to define further the relationship among, the Trustee, the Registrar and the Paying Agent; to achieve compliance of this Trust Indenture with any applicable federal securities or tax law; to permit any other amendment which, in the judgment of the Trustee, is not materially detrimental to the Trustee or the Holders (which may be based, as to matters of law, on an Opinion of Counsel); to make necessary or advisable amendments or additions in connection with the issuance of Additional Bonds in accordance with Section 3.12 hereof which, in the judgment of the Trustee (which may be based, as to matters of law, on an Opinion of Counsel) do not adversely affect the interests of the holders of outstanding Bonds.

Exclusive of Supplemental Trust Indentures for the purposes stated above, with the consent of the Holders of not less than a majority in aggregate principal amount of then outstanding Bonds and the Trustee will be required to approve any Supplemental Trust Indenture. No Supplemental Trust Indenture, however, will permit: (i) an extension of the maturity of the principal of or the interest on any Bond, or a reduction in the principal amount of any Bond or the rate of interest or premium on any Bond, a reduction in the amount, or extension of time, of payment of any redemption requirements under this Trust Indenture; or (ii) the

creation of a privilege or priority of any Bond over any other Bond, or a reduction in the aggregate principal amount of Bonds required for consent to such Supplemental Trust Indenture, without the consent of the Holders of all Bonds then outstanding.

Release of Trust Indenture

The Trust Indenture will be released if the Port pays or makes provision for the payment of debt service due or to become due on all outstanding Bonds, and provision has been made for paying all other amounts payable under the Trust Indenture by the Port.

All outstanding Bonds will be deemed to have been paid within the meaning of the Trust Indenture if the Trustee holds in trust for such payment either money in an amount that will be sufficient, or irrevocable Defeasance Obligations that are certified by an independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates and bearing such interest as will be sufficient together with money so held, for the payment of the debt service on the Bonds through and at their maturity or redemption dates.

Bond Insurance Provisions

The Policy assures payment of the principal of and interest on the 2015 Bonds. The Trust Indenture requires any and all notices to be given to the Issuer or the Trustee to be given to the Bond Insurer. Prior to any defeasance of the 2015 Bonds pursuant to the Trust Indenture, the Trustee and the Issuer must give notice to the Bond Insurer, including a report verifying that any Defeasance Obligations will be sufficient to defease the 2015 Bonds. Any amendment or supplement to the Security Documents require the prior written consent of the Bond Insurer, with the exception of certain amendments or supplements listed in Section 13.5(a) of the Trust Indenture. The Bond Insurer also has the right to give prior written consent to various actions enumerated in Section 13.5 of the Trust Indenture.

In the event that principal of or interest due on the Insured Obligations is paid by the Bond Insurer pursuant to the Policy, the Insured Obligations will remain outstanding, not be defeased or otherwise satisfied, and not be considered paid by the Issuer. The assignment and pledge of the trust estate and all covenants, agreements, and other obligations of the Issuer to the registered owner will continue to exist and will run to the benefit of the Bond Insurer. The Bond Insurer will be subrogated to the rights of the registered owners including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Insured Obligations. The procedures for payment of the principal of or interest due on the Insured Obligations are set forth in Section 13.8 of the Trust Indenture.

Unless otherwise stated, the provisions of Article XIII of the Trust Indenture, which set forth the rights of the Bond Insurer, apply notwithstanding anything to the contrary in the Trust Indenture.

The Ground Lease

The following are descriptions of certain provisions of the Ground Lease. Reference is made to the Ground Lease for its detailed provisions. These descriptions are only brief outlines of some of the provisions of the Ground Lease and do not purport to completely summarize those provisions or to describe all of the provisions of the Ground Lease. Reference is made to the Ground Lease for its complete terms.

Pursuant to the Ground Lease, the Port has agreed to lease the Project Site from the School District for a term beginning on the Closing Date and ending on December 31, 2055. During the period of construction of the Project Facilities, the Port also has agreed to lease the Additional Sites from the School

District. The Ground Lease contemplates sublease of the Project Site and the Additional Sites back to the School District pursuant to the Lease.

The Lease

The following are descriptions of certain provisions of the Lease. Reference is made to the Lease for its detailed provisions. These descriptions are only brief outlines of some of the provisions of the Lease and do not purport to completely summarize those provisions or to describe all of the provisions of the Lease. Reference is made to the Lease for its complete terms.

The Lease has been entered into by the Port, as lessor, and the School District, as lessee. The Initial Term of the Lease runs from the Closing Date through June 30, 2016, and upon expiration of the Initial Term, the School District has the option under the Lease to renew the Lease for 35 one-year (or partial-year) Renewal Terms, the last of which will run from July 1, 2050 through December 31, 2050. The Lease contains the terms and conditions under which the Project is being leased to the School District, and the terms and conditions relating to the construction, installation and improvement of the Project Facilities.

The Lease can be terminated under certain circumstances, such as non-appropriation of funds, the exercise by the School District of its option to purchase the Project, or a taking of the Project by condemnation or eminent domain. In the event of the breach by the School District of its obligations under the Lease, the Port or the Trustee may take whatever other actions may appear necessary or desirable to enforce performance and observance of the School District's obligations under the Lease, including termination of the Lease.

Simultaneously with the execution of the Lease, the Port has, pursuant to the Lease Assignment, assigned to the Trustee without recourse its rights, title and interests to the Ground Lease, the Lease and in the Project, including but not limited to the right to receive Lease payments and to exercise such rights and remedies of Lessor as may be necessary to enforce payment of the Base Rent and Additional Rent when due or to otherwise protect the interests of the Holders of the Bonds.

While the Lease is in effect, the Trustee will have the right to collect and distribute all Lease Payments. All of the Trustee's right, title and interest in the Project will be transferred to the School District when and if the School District exercises its option to purchase the Project. Under the Lease, the School District may purchase the Project on any Payment Date.

Lease Terms

The Lease will commence on the Closing Date and terminate upon the earliest of the following events:

- (a) The last day of the Lease Term for which moneys to pay Lease Payments were appropriated and certified by the Fiscal Officer of the School District, if no reinstatement occurs;
- (b) A default by the School District under the Lease resulting in termination of the Lease as hereinafter described (see "Remedies"); or
- (c) Exercise by the School District of its option to purchase the Project.

Any nonrenewal of the Lease for any Lease Term caused by the failure of the School District to appropriate moneys for Base Rent is expressly declared in the Lease to be without penalty or expense of

any kind whatsoever to the School District. The School District agrees, if the Lease is not renewed in such case or is terminated following an Event of Default under the Lease (all subject to reinstatement), to peaceably surrender possession of the Project to the Trustee on the day following such termination.

The Lease contains provisions for reinstatement, if, within 30 days after a Lease Term terminates without a renewal for a succeeding Lease Term, moneys are appropriated and certified. If there is a Lease Payment Date between the date of termination and fulfillment of the conditions of reinstatement, the Base Rent that would have been due on that Lease Payment Date will become immediately due and payable on the date of reinstatement.

The Additional Sites leased to the Issuer under the Ground Lease during the period of construction of the Project Facilities are subleased to the School District under the Lease.

Project Fund; Application of the Bond Proceeds

The Lease establishes the Project Fund, which fund is to be held by the School District and used to pay the costs to construct the Project. The proceeds received by the School District from the sale of the Bonds to the Underwriter will be deposited in the Project Fund and applied to payment of costs of the Project.

Moneys in the Project Fund will be held by the School District and used in accordance with the provisions of the Lease to pay costs of acquiring, constructing, improving, furnishing, equipping, and financing the Project, including but not limited to: costs for preliminary planning and studies; fees for engineering, accounting, legal, consulting and other services; costs of labor, services and materials; inspection costs and permit fees; filing and recording costs; reproduction and mailing costs; printing, safekeeping and delivery costs relating to the Bonds; and any costs, expenses, fees and charges properly chargeable to the cost of acquisition, construction, improvement, furnishing, equipment, or financing of the Project (the "Project Costs").

Base Rent

The School District agrees under the Lease to make payments of Base Rent to the Trustee, as assignee of the Lessor under the Lease, in the amounts and on the dates set forth in the Lease. Base Rent is due on the 30th calendar day preceding each June 1 and December 1 in each calendar year during each Lease Term; provided that if such day is not a business day, such day will be deemed to be the business day immediately preceding such day. The School District will receive a credit against the amount payable by the School District as Base Rent by the amount of money in the Lease Payment Account to be credited against those payments and representing Base Rent.

The Base Rent is designed to be sufficient, in both time and amount, to pay the Bond Service Charges when due.

The obligation of the School District to make payments of Base Rent during any Lease Term during which the Lease is in effect will be absolute in all events and will not be subject to any set-off, defense, counterclaim or recoupment, or to delay in payment of Base Rent, for any reason whatsoever.

The School District represents in the Lease that the Project is essential to the proper, efficient and economic operation of the School District, and that it is the intent of the School District to make lease payments for all Lease Terms if funds are appropriated for that purpose. The recitals and covenants described in this paragraph and in the Lease do not create a pledge, lien or encumbrance on funds to be

available to the State or the School District, do not legally bind the State or the School District, and do not represent or constitute an obligation of, or a pledge of the faith and credit of, the School District, the State, or any political subdivision of the State.

In addition to the obligation of the School District to make payments of Base Rent, the School District is obligated under the Lease to pay Additional Rent, to the extent applicable and subject to appropriation, from time to time. Such Additional Rent may include, but not be limited to, the payment of any reasonable costs, fees and expenses incurred or paid by the Lessor or the Trustee under the Lease or the Indenture.

Use, Maintenance and Alterations

Under the Lease, the School District agrees to keep the Project in good order and condition (ordinary wear and tear expected) and make all necessary or appropriate repairs, replacements or renewals thereof. The School District also agrees to comply with all laws, insurance policies and regulations relating to the Project; obtain and maintain governmental licenses and permits required for the use, maintenance, repair and operation of the Project; and to pay any and all costs, claims, damages, fees and charges arising out of its possession, use, operation or maintenance of the Project. These obligations of the School District are subject to lawful annual appropriations being made therefor and Fiscal Officer Certification.

The Trustee has no responsibility for making repairs or improvements to the Project.

The School District, in its discretion and at its expense, may remodel or make such additions, modifications, and improvements to the Project Facilities as it may deem to be desirable, provided that no such additions, modifications or improvements will adversely affect the structural integrity or strength of, or materially interfere with the use and operation of, the Project, and, subject to the right of the School District to install its own personal property, any such changes will become and be deemed to constitute part of the Project.

The School District may remove any item of personal property constituting a part of the Project Facilities, provided that the personal property so removed will not materially impair the leasehold value of the Project.

Damage or Destruction

The School District expressly assumes all risk of damage to or loss or destruction of the Project from any cause. If any part or all of the Project Facilities are destroyed or damaged, the School District will promptly repair or replace the same so that at all times during a Lease Term the Project can be used for its intended purpose.

No damage to, or defect in, or unfitness or obsolescence of, the Project will relieve the School District from its obligations under the Lease, including the obligation to pay Base Rent, during a Lease Term.

Property Insurance

The Lease requires the School District to maintain appropriate property insurance in the amount of 100% of the replacement cost of the Project Facilities or the then outstanding principal amount of the Bonds, whichever is greater. Insurance may be provided under blanket form of insurance policy insuring

other School District buildings with any loss deductible used by the School District in connection with such blanket policy of insurance.

The proceeds of any insurance or condemnation awards, to the extent they are not used or encumbered for the purposes stated above and in the event the School District is in default in making any Lease Payment, will be paid to the Trustee for deposit in the Lease Payment Account.

Option to Purchase

Upon 30 days written notice from the school District to the Lessor and Trustee, and if there is not then existing an Event of Default or an event which with notice or a lapse of time, or both, could become an Event of Default, the School District may purchase the Project on any Payment Date by paying to the Trustee as Lessor the sum of \$100.00 plus the amount necessary to defease the Indenture in accordance with its terms (the "Purchase Price"). Applicable amounts in the Lease Payment Account will be applied to the Purchase Price to be paid by the School District.

Upon fulfillment of these purchase conditions, the Project will become the property of and all right, title and interest in the Project will pass to the School District.

Assignment

Without the prior written consent of the Trustee and an opinion of nationally recognized bond counsel to the effect that such assignment, transfer or other disposition will not adversely affect the exemption from gross income for federal income tax purposes of the interest component of the Base Rent and of the interest on the Bonds, the School District may not assign, transfer, pledge, hypothecate or grant any security interest in or otherwise dispose of the Lease or the Project (without replacement or substitution), or any interest in the Lease or the Project, or sublet the Project or permit it to be operated by anyone other than the School District or employees of or persons authorized by the School District in connection with its operation of the Project. The School District further may not issue or incur, directly or indirectly, any additional certificates, notes, bonds, or other indebtedness that are secured by the Base Rent payable under the Lease or that are secured or granted a lien on the Project Site or the Project Facilities.

Taxes

Subject to lawful annual appropriations and certification of the Treasurer, the School District agrees to pay any taxes, assessments and other governmental charges that may be imposed with respect to the Project and any charges for utilities (including gas, electric, water and telephone) furnished to the Project. The School District will not be required to pay any franchise, estate, inheritance, succession, capital levy or transfer tax by Lessor or any income, excess profits or revenue tax, or any other tax, assessment, charge or levy upon the rent payable by the School District under the Lease.

Events of Default

The following will constitute "Events of Default" under the Lease:

- (a) The School District fails to make during any Lease Term any Lease Payment (or any other payment) as it becomes due in accordance with the terms of the Lease;
- (b) The School District fails to perform or observe any other covenant, condition or agreement to be performed or observed by it under the Lease and the failure is not cured within 30 days

after written notice thereof from the Trustee or, if the failure is of such a nature that it cannot practicably be cured within 30 days, steps satisfactory to the Trustee are not taken to cure the failure within 180 days after such written notice of the failure from the Trustee; or

- (c) The discovery by the Trustee or Lessor that any material statement, representation or warranty made by the School District in the Lease or in any writing delivered by the School District pursuant to or in connection with the Lease is false, misleading or erroneous in any material respect.

Notwithstanding the foregoing, if, by reason of Force Majeure, the School District is unable to perform or observe any agreement, term or condition of the Lease (other than any obligation to make payments), the School District will not be deemed in default during the continuance of such inability. The School District will promptly notify the Trustee of any event of Force Majeure and will use its best efforts to remove the effects thereof.

Remedies

Upon the occurrence of an Event of Default under the Lease, and so long as the Event of Default is continuing, the Trustee as Lessor may, at its option, exercise one or more of the following remedies:

- (a) By written notice to the School District, request the School District to promptly return possession of the Project to the Lessor or, at the Lessor's option, the Lessor may enter upon the Project Site and take immediate possession of and remove personal property constituting Project Facilities;
- (b) Sublease the Project for the account of the School District, holding the School District liable for all Lease Payments and other payments due prior to the effective date of the sublease and for the difference between the rental and other amounts paid by the sublessee pursuant to such sublease and the amounts payable by the School District pursuant to the Lease during the then current Lease Term; and
- (c) Exercise any other right, remedy or privilege available under Ohio or any other applicable law, or proceed by appropriate court action to enforce the terms of the Lease or rescind the Lease or recover damages.

If a court of competent jurisdiction finally adjudicates that the School District is in default under the Lease, and subject to lawful annual appropriations being made therefor, the School District will remain liable for all covenants and obligations under the Lease, and for all legal fees and other costs and expenses, to the extent permitted by law, incurred by the Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to the Trustee.

Amendments

The Lease may not be amended without the written consent of the Trustee.

Federal Income Tax Matters

The Port and the School District each have covenanted that they, respectively, will restrict the use of moneys realized under the Lease or otherwise in connection with the Project in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time of entering into the Lease, so that there will not exist at any time any obligation in connection with the Lease or the

Project that constitutes an “arbitrage bond” under Section 148 of the Code and the regulations prescribed under that Section.

The School District has covenanted under the Lease to make each determination, file each report and make each payment required to be made or filed by Section 148(f) of the Code in the manner and within the time periods prescribed by said section. The obligation of the School District to make such payments shall remain in effect and be binding upon the School District notwithstanding the release and discharge of the Indenture and expiration, cancellation or termination of the Lease.

The School District further has represented, warranted and covenanted under the Lease that (a) the statements concerning the 2015 Bonds required by Section 149(e)(2) of the Code, and prepared by and submitted by, or on behalf of, the School District, are true and complete for the purposes for which intended and (b) it shall prepare and submit, or cause to be submitted, at any time any supplements to the statements which are deemed by the Underwriter or bond counsel to be necessary or advisable and any such supplement shall be true and complete for the purposes for which intended.

The Port and the School District each have covenanted that it will, at the sole cost and expense of the School District and until the Lease is terminated, take all actions that may be required of it for the interest on the 2015 Bonds, paid from the interest component of each payment of Base Rent, to be and remain exempt from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exemption, under the provisions of federal tax laws that apply to those Base Rent payments and the 2015 Bonds. Notwithstanding the foregoing, if the Port or the School District obtains a written opinion of nationally recognized bond counsel that this covenant need not be complied with in order for the interest on the 2015 Bonds to continue to be exempt from federal income taxation, then the covenant may be disregarded. The Port and the School District have authorized any officer of the Port, the School District or the Trustee, as assignee of the Port, having responsibility with respect to the execution and delivery of the Lease and other appropriate officers to take such actions and give such certifications as may be appropriate to assure such tax exemption of the Interest Component and the interest on the 2015 Bonds.

The School District has further represented and covenanted that it will not use the Project, or permit the Project to be used, so long as the Lease shall remain in effect, in such a manner as would result in the loss of the exemption from gross income for federal income tax purposes afforded under the Code to the interest on the 2015 Bonds. Notwithstanding the foregoing, the School District shall not be obligated to appropriate funds for subsequent renewal periods, even though the resulting failure to renew this Lease may result in adverse tax consequences to the holders of the 2015 Bonds.

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APPENDIX F

Form of Continuing Disclosure Agreement

THIS AUTHORITY CONTINUING DISCLOSURE AGREEMENT (the “Agreement”) is between the CLEMONT COUNTY PORT AUTHORITY, CLERMONT COUNTY, OHIO (the “Port”), a port authority and body both corporate and politic, duly created, organized and existing under and by virtue of the laws of the State, including Ohio Revised Code Sections 4582.21 to 4582.59, and the West Clermont Local School District (the “School District”), an Ohio local school district and political subdivision, in connection with the issuance by the Port of its \$99,255,000 in aggregate principal amount of Lease Revenue Bonds, Series 2015 (West Clermont Local School District Project) (the “2015 Bonds”). The 2015 Bonds are being issued pursuant to a Trust Indenture, dated as of October 1, 2015 (the “Trust Indenture”), by and between U.S. Bank National Association, Cincinnati, Ohio, as trustee (the “Trustee”), a national banking association organized and existing under and by virtue of the laws of the United States of America and authorized to exercise corporate trust powers in the State, with its designated place of business located in Cincinnati, Ohio and the Port.

The Port covenants and agrees as follows:

Section 1. Definitions. Terms not otherwise defined herein shall have the meanings set forth in the Lease, dated as of October 1, 2015, among the School District and the Port or the Trust Indenture, as the same may be amended, modified, or supplemented from time to time.

“Accounting Principles” means the accounting principles applied from time to time in the preparation of the annual general purpose financial statements of the School District, initially being generally accepted accounting principles applicable to governments as promulgated by the Governmental Accounting Standards Board and as in effect from time to time.

“Annual Report” means the annual report provided and delivered to EMMA by the Port as described in Section 2 herein.

“Audited Financial Statements” means the audited basic financial statements of the School District, prepared in conformity with generally accepted accounting principles.

“Bondholders” shall mean the registered owner of any Bond and any investment advisor for any Bondholder as well as any Beneficial Owner of any Bond, provided such Beneficial Owner or investment advisor has been identified to the Trustee.

“EMMA” shall mean the Electronic Municipal Market Access (EMMA) system of the MSRB; information regarding submissions to EMMA is available at <http://emma.msrb.org>.

“MSRB” shall mean the Municipal Securities Rulemaking Board established by the Securities Exchange Act of 1934 located at:

1150 18th Street, NW, Suite 400
Washington, D.C. 20036-3816
Phone: (202) 223-9347
Fax: (202) 872-0347
Internet: www.msrb.org

“Obligated Person” means, any person, including the issuer of municipal securities (such as the Bonds), who is generally committed by contract or other arrangement to support payment of all or part of the obligations on the municipal securities being sold in an offering document (such as the Official Statement); the School District and the Port constitute the only Obligated Person for the 2015 Bonds.

“Official Statement” shall mean the Official Statement prepared in connection with the sale of the 2015 Bonds.

“Participating Underwriter” shall mean any of the original underwriters of the Obligations required to comply with the Rule in connection with the offering of the 2015 Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the United States Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Specified Events” means any of the following:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties; (a)
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties; (a)
- (5) Substitution of credit or liquidity providers, or their failure to perform; (a)
- (6) (Issuance of) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security (*i.e.*, the 2015 Bonds), or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers; (b)
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, if material; (c)
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
Note: For the purposes of the event identified in this subparagraph, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such

jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

- (13) 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
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Note:

- (a) *The School District has not obtained or provided, and does not expect to obtain or provide, any debt service reserves, credit enhancements (except for the Insurance Policy) or credit or liquidity providers for the 2015 Bonds.*
- (b) *Any scheduled redemption of 2015 Bonds pursuant to mandatory sinking fund redemption requirements does not constitute a specified event within the meaning of the Rule.*
- (c) *Repayment of the 2015 Bonds is not secured by a lien on any property capable of release or sale or for which other property may be substituted.*

For the Specified Events described in (2), (6, as applicable), (7), (8, as applicable), (10), (13) and (14), the Port acknowledges that it must make a determination whether such Specified Event is material under applicable federal securities laws in order to determine whether a filing is required.

Section 2. Provision of Information.

The Port agrees to use its best efforts to provide to the MSRB through its EMMA system the following information, which shall be supplied by the School District to the Port prior to February 15 of each year, in the Annual Report on or before March 1 of each year at the same time:

- (a) Financial information and operating data of the type included in Appendix A to the Official Statement under the captions: **“Property Tax Rates and Collections,” “Ad Valorem Tax Levies,” “Assessed Valuation,” “Largest Taxpayers,” “School District Debt Currently Outstanding,” “Lease Obligations” and “Future Financings,”** and any updates to Appendix G to the Official Statement.
- (b) The General Purpose Financial Statements of the School District to be included in the Annual Report shall be initially prepared in accordance with generally accepted accounting principles and shall be accompanied by a report of the Auditor of the State of Ohio, or, if applicable, the independent certified public accountants who audited the financial statements; provided, however, if such report is not available to the School District at the time of providing the Annual Report to the MSRB, the School District will provide such report to the MSRB as soon as it is available.

The foregoing shall not obligate the School District or the Port to prepare or update projections of any financial information or operating data.

THE PORT WILL NOT SUPPLY OR APPROVE, AND DOES NOT ASSUME ANY RESPONSIBILITY FOR, AND MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO, THE ACCURACY OR COMPLETENESS OF THE INFORMATION IN THE ANNUAL REPORT.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the School District or the Port or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. The District and the Port shall clearly identify each such other document so included by reference.

Section 3. Reporting of Specified Events. As applicable, the School District agrees to provide the Port (in a format that may be provided to the MSRB through its EMMA system), and the Port agrees to provide to the MSRB through its EMMA system, all in a timely manner:

- (a) notice of the occurrence of any Specified Event within 10 business days of its occurrence.
- (b) notice of failure to provide the Annual Report by the Filing Date.
- (c) notice of any material change in the Accounting Principles, or of any change in the fiscal year, of the School District.
- (d) notice of any failure of the Port to appropriate moneys for the purpose of paying costs to be incurred by the Port to perform under this Agreement for the applicable fiscal period.
- (e) notice of the termination of this Agreement.
- (f) notice of any failure of the District to appropriate moneys for the purpose of paying costs to be incurred by the District to perform this Agreement for the applicable fiscal period.

The School District further agrees that all documents provided to the Port shall be in the format and accompanied by the identifying information prescribed by the MSRB. The Port further agrees that all documents provided to the MSRB shall be in the format and accompanied by the identifying information prescribed by the MSRB.

Section 4. Rights of Bondholders to Enforce Agreement. This Agreement is for the benefit of the parties hereto, the Trustee, and the Bondholders. In the event of a failure by the Port or the School District to comply with any provision contained herein, the Trustee or any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause compliance with the obligations hereunder.

Section 5. Termination of Reporting Obligation. The obligations of the Port under this Agreement shall terminate upon repayment or defeasance of the 2015 Bonds in full in accordance with the Trust Indenture.

Section 6. Appropriation. The performance by the School District and the Port of its obligations under this Agreement shall be subject to the availability of funds and their annual appropriation to meet costs that the School District or the Port, as applicable, would be required to incur to perform those obligations. The School District, or the Port, as applicable, shall provide notice to the MSRB in the same manner as for a Specified Event 5 of the failure to appropriate funds to meet costs to perform the obligations under this Agreement.

Section 7. Dissemination Agent. The Port may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Port and the School District may amend this Agreement, and any provision of this Agreement may be waived, if the Port has received an opinion of counsel knowledgeable in federal securities laws to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Port from disseminating any other information (using the means of dissemination set forth in this Agreement or any other means of communication) or including any other information in any Annual Report or providing notice of occurrence of events, in addition to that which is required by this Agreement. If the Port chooses to include any information in an Annual Report or provide notice of occurrence of events which are not Specified Events in addition to that which is specifically required by this Agreement, the Port shall have no obligation to update such information or include it in any future Annual Report or notice of occurrence of a Specified Event.

Section 10. Default; Remedies. Failure of the Port or the School District to perform any of its undertakings contained in this Agreement shall not constitute an event of default with respect to the 2015 Bonds. The exclusive remedy for any such failure shall be enforcement of the Port's obligations or the School District's obligations to so perform by actions or proceedings taken in accordance with Ohio Revised Code Section 133.25(B)(4)(b) or Section 133.25(C)(1).

Section 11. Recordkeeping. The Port shall maintain records of all Annual Reports and notices of Specified Events and other events, including the content of such disclosure, the names of the entities with whom such disclosures were filed and the date of filing such disclosure. The School District shall maintain records of all information that is or should be provided to the Port to include in the Annual Reports and notices of Specified Events and other events, including the content of such disclosure, the names of the entities with whom such disclosures were filed and the date of filing such disclosure.

Section 12. Beneficiaries. This Agreement shall inure solely to the benefit of the Port, the School District, the Participating Underwriter and the holders of the 2015 Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, the Port and the School District have caused this Agreement to be duly executed as of October __, 2015.

CLERMONT COUNTY PORT AUTHORITY

By: _____

Name: _____

Title: _____

**WEST CLERMONT LOCAL
SCHOOL DISTRICT
CLERMONT COUNTY, OHIO**

By: _____

Name: _____

Title: _____

APPENDIX G
Financial Projections

West Clermont LSD - 38 Year Port COPS Bond Issue -2015-9-22 (1% Reappraisal & Update Increases)

Bond Life	Payment Year	Net TIF Revenues	PI Levy Contribution	Total Resources	2015 COPS Issue		Annual Excess (Deficiency)	On Going PI Levy Expenditures	Accumulated Excess (Deficiency)	TIF Revenue Bond Debt Service Coverage
					\$98mm Bond Debt Service	\$				
1	2016	\$ -	\$ 5,500,000	\$ 5,500,000	\$ 4,304,128	\$	1,195,872	(\$850,000)	\$ 2,697,821	1.28
2	2017	-	5,500,000	5,500,000	4,304,128		1,195,872	(850,000)	3,043,694	1.28
3	2018	-	5,555,000	5,555,000	4,304,128		1,250,872	(850,000)	3,444,566	1.29
4	2019	503,181	5,555,000	6,058,181	4,804,128		1,254,053	(1,250,000)	3,448,620	1.26
5	2020	850,616	5,555,000	6,405,616	5,028,995		1,376,620	(1,250,000)	3,575,240	1.27
6	2021	1,234,231	5,610,550	6,844,781	5,611,296		1,233,485	(1,250,000)	3,558,725	1.22
7	2022	1,557,705	5,610,550	7,168,255	5,613,533		1,554,721	(1,250,000)	3,863,446	1.28
8	2023	1,869,198	5,610,550	7,479,748	5,611,662		1,868,085	(1,250,000)	4,481,532	1.33
9	2024	2,045,830	5,610,550	7,656,380	5,609,783		2,046,597	(1,250,000)	5,278,128	1.36
10	2025	2,153,630	5,610,550	7,764,180	5,609,386		2,154,794	(1,250,000)	6,182,923	1.38
11	2026	2,261,430	5,610,550	7,871,980	5,669,605		2,202,375	(1,250,000)	7,135,298	1.39
12	2027	2,384,170	5,666,656	8,050,825	5,670,589		2,380,236	(1,250,000)	8,265,534	1.42
13	2028	2,491,970	5,666,656	8,158,625	5,667,258		2,491,368	(2,000,000)	8,756,902	1.44
14	2029	2,599,770	5,666,656	8,266,425	5,669,612		2,596,814	(2,000,000)	9,353,716	1.46
15	2030	2,725,893	5,723,322	8,449,215	5,667,143		2,782,072	(2,000,000)	10,135,788	1.49
16	2031	2,725,893	5,723,322	8,449,215	5,664,852		2,784,364	(2,000,000)	10,920,152	1.49
17	2032	2,725,893	5,723,322	8,449,215	5,667,484		2,781,732	(2,000,000)	11,701,883	1.49
18	2033	2,725,893	5,780,555	8,506,448	5,664,531		2,841,917	(2,000,000)	12,543,800	1.50
19	2034	2,725,893	5,780,555	8,506,448	5,665,995		2,840,453	(2,000,000)	13,384,253	1.50
20	2035	2,725,893	5,780,555	8,506,448	5,661,367		2,845,081	(2,000,000)	14,229,335	1.50
21	2036	2,725,893	5,838,361	8,564,254	5,660,647		2,903,607	(2,000,000)	15,132,941	1.51
22	2037	2,725,893	5,838,361	8,564,254	5,660,378		2,903,876	(2,000,000)	16,036,818	1.51
23	2038	2,725,893	5,838,361	8,564,254	5,655,624		2,908,630	(2,000,000)	16,945,447	1.51
24	2039	2,725,893	5,896,744	8,622,638	5,656,387		2,966,251	(2,000,000)	17,911,698	1.52
25	2040	2,725,893	5,896,744	8,622,638	5,657,257		2,965,380	(2,000,000)	18,877,078	1.52
26	2041	2,725,893	5,896,744	8,622,638	5,653,032		2,969,605	(2,000,000)	19,846,683	1.53
27	2042	2,725,893	5,955,712	8,681,605	5,653,712		3,027,893	(2,000,000)	20,874,577	1.54
28	2043	2,725,893	5,955,712	8,681,605	5,648,888		3,032,717	(2,000,000)	21,907,294	1.54
29	2044	2,725,893	5,955,712	8,681,605	5,648,560		3,033,045	(2,000,000)	22,940,339	1.54
30	2045	2,725,893	6,015,269	8,741,162	5,647,322		3,093,840	(2,000,000)	24,034,178	1.55
31	2046	2,725,893	6,015,269	8,741,162	5,644,969		3,096,193	(2,000,000)	25,130,371	1.55
32	2047	-	6,015,269	6,015,269	5,641,260		374,009	(2,000,000)	23,504,380	1.07
33	2048	-	6,075,422	6,075,422	5,640,196		435,225	(2,000,000)	21,939,605	1.08
34	2049	-	6,075,422	6,075,422	5,636,345		439,077	(2,000,000)	20,378,682	1.08
35	2050	-	6,075,422	6,075,422	5,634,489		440,933	(2,000,000)	18,819,615	1.08
36	2051	-	6,136,176	6,136,176	5,634,196		501,979	(2,000,000)	17,321,594	1.09
37	2052	-	6,136,176	6,136,176	5,630,035		506,141	(2,000,000)	15,827,736	1.09
38	2053	-	6,136,176	6,136,176	5,626,787		509,389	(2,000,000)	14,337,124	1.09
Totals		\$ 66,291,913	\$ 220,592,950	\$ 286,884,863	\$ 209,099,688		\$ 77,785,175	\$ (65,800,000)		

APPENDIX H
Cooperative Agreement

**COOPERATIVE AGREEMENT RELATING
TO THE ACQUISITION OF PROPERTY FOR
ECONOMIC DEVELOPMENT,
REDEVELOPMENT, AND THE CREATION
OF A NEW EDUCATIONAL FACILITY IN
UNION TOWNSHIP, CLERMONT COUNTY,
OHIO**

January 5, 2015

**COOPERATIVE AGREEMENT RELATING TO THE ACQUISITION OF PROPERTY
FOR ECONOMIC DEVELOPMENT, REDEVELOPMENT, AND THE CREATION OF
A NEW EDUCATIONAL FACILITY IN UNION TOWNSHIP, CLERMONT COUNTY,
OHIO**

This Cooperative Agreement relating to the acquisition of property for economic development, redevelopment and the creation of a new educational facility in Union Township, Clermont County, Ohio is entered into by and among the Board of Trustees of Union Township whose address is 4350 Aicholtz Road, Cincinnati, Ohio 45245 (hereinafter referred to as "Township"); the Union Township Clermont County Community Improvement Corporation, Inc. whose address is 4350 Aicholtz Road, Cincinnati, Ohio 45245 (hereinafter referred to as "CIC") and the West Clermont Board of Education whose address is 4350 Aicholtz Road, Cincinnati, Ohio 45245 (hereinafter referred to as "West Clermont") pursuant to the authority granted in Ohio R.C. § 5709.43, 1724.10, and all other relevant provisions of the Ohio Revised Code which, upon execution of this contract on the 5th day of January agree as follows:

RECITALS

WHEREAS, the Township has created the CIC to, among other things, promote economic development within Union Township, Clermont County, and the state of Ohio; and

WHEREAS, the Township has determined that the creation of a new educational facility in Union Township, Clermont County, Ohio to be operated by West Clermont will promote economic development in the Township, Clermont County, and the State of Ohio and will promote the health, education and welfare of all residents in the Township; and

WHEREAS, West Clermont has determined the need for a new educational facility in the Township to better serve and educate the residents of the Township; and

WHEREAS, the parties recognize the best manner of achieving the goals set forth above is to enter into a cooperative agreement; and

WHEREAS, the parties recognize and agree that they have the power and authority to enter into a cooperative agreement for the above stated purposes pursuant to Ohio R.C. § 5709.43, R.C. § 1724.10 and other sections of the Ohio Revised Code;

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein and other good and valuable consideration the parties, through their respective Chief Executive Officers, do hereby agree as follows:

ARTICLE I

SECTION 1.01 Obligations of the Parties

1) The Township/CIC

- a) The Township agrees to participate in a community project that involves the use of public and private funds for lawful purposes that benefit Union Township. Specifically, the Township and its agents and affiliates agree to a compensation agreement which will enable West Clermont to create a new educational facility to its specifications.
- b) The Township agrees to establish Thirty (30) Year Tax Increment Financing Projects (TIF) to promote economic development and to support the installation of public infrastructure within the "Project" as defined as all parcels later identified as "Board Property", "New Educational Facility Site", and/or "Other Property to Be Considered in the Project".
- c) The Township agrees to work cooperatively with West Clermont to create a Service Agreement to support the TIF(s) within the Project that will provide a compensation agreement to the Board in the amount of the first \$2 million annually in new TIF(s) revenue collected and distributed to the Township as a result of the property appreciation. For revenues in excess of \$2 million collected annually, West Clermont will receive an amount equal to their typical distribution, but for the agreement (100% make whole). (The Township contribution is estimated to be \$25 million)
- d) The Township agrees to work cooperatively and expeditiously with the Board in regard to all zoning matters relative to the Project.
- e) The CIC agrees to hire and pay for a design build architect/engineer to work with the Board at the discretion of the CIC, to create a program for a design build process in cooperation and with the approval of West Clermont.
- f) The Township agrees to reimburse West Clermont for any amount greater than the average of \$50,000 per acre for the purchase of the New Educational Facility Site. The payment of such amount greater than the average of \$50,000 per acre shall total be distributed from the Township's portion of the TIF revenues beyond \$2 million dollars paid annually until the full amount is satisfied.
- g) The Township/CIC agree to cooperate with West Clermont for the purpose of applying, securing, obtaining or otherwise receiving any subsidy, from any lawful agency, department or service with regard to this project.
- h) The CIC will obtain all rights, approvals and authorizations of property owners, developers, brokers or other interested parties associated with the representations made or contemplated within this Agreement.

2) West Clermont

- a) West Clermont agrees to expeditiously cooperate with the Township and the CIC in the Project and not unreasonably withhold approvals for any process associated with the Project.
- b) West Clermont will agree to create a new educational facility of its design and consistent with its own interest(s) on the educational site.
- c) West Clermont will agree to TIF agreements and waive any notices as permitted by the Revised Code and as outlined within this Agreement.
- d) West Clermont will agree to cooperate with the Township and not oppose the Township in the creation of a Joint Economic Development District(s) on parcels identified within the project.
- e) West Clermont will agree to transfer the property vacated by West Clermont, or property not developed and owned or controlled by West Clermont, as identified in the West Clermont Property (Section 1.03 (a)) to the Township or the CIC for \$1 at a time mutually agreed upon by all parties but as expeditiously as possible so as to create the maximum new value appreciation for the project.
- f) West Clermont agrees to cooperate with the Trustees/CIC for the purpose of applying, securing, obtaining or otherwise receiving any subsidy, from any lawful agency, department or service with regard to this project.
- g) West Clermont agrees to pay for the purchase of the site for the new educational facility.

SECTION 1.02. Access to the Property making up the Project

- a) Upon execution of this Agreement, the Parties agree to provide each other free and full access to the Property in order to permit the Parties to make such investigations they deem necessary or desirable in connection with this transaction. The parties agree that any information or documents obtained by any of them in connection with the transaction contemplated hereby shall be kept confidential except to the extent necessary to consummate the transaction contemplated hereby or as required by R.C. 149.43 or a court of law.

SECTION 1.03. Properties to be considered for the Project (Exhibit A)**a) West Clermont Property**

413102A003	West Clermont Bd of Education				35.21
413102A107	West Clermont Bd of Education				0.2
413102A108	West Clermont Bd of Education				13.99
413102A119	West Clermont Bd of Education				28.011
413102A122	West Clermont Bd of Education				0.29
413103I304	West Clermont Bd of Education				20
414220B043	West Clermont Bd of Education				0.48
414220B044	West Clermont Bd of Education				0.46
414220B045	West Clermont Bd of Education				0
414220B046	West Clermont Bd of Education				0
414220B047	West Clermont Bd of Education				0
414220B048	West Clermont Bd of Education				0

b) New Educational Facility Site

413102E035		Charles J Kubicki LLC	79.1
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c) Other Property to Be Considered In The Project

413103I273		Wright, Norman T. et al	10.06
413103I289		Dickerson, Leanard R. et al	2.953
413103I295		Conn, Vencil W. et al	4.62
413103I305		Wright, Norman T. et al	12
413103I306		Elick, Verna Jean	3.664
413103I307		Dickerson, Leanard R. et al	7.095

SECTION 1.04. Relationship of Union Township, the CIC and West Clermont

(a) The relationship among the Parties established pursuant to this Agreement shall not constitute or be deemed to be that of a partnership, joint venture, employment, master and servant, or principal and agent. No Party shall have any authority to make, nor shall make, any representations, warranties, or statements on behalf of the other, and no Party hereto shall bind, or be liable for the debts or obligations of, the other.

(b) Nothing in this Agreement shall (1) modify, alter, or impair in any way any pre-existing contractual arrangement or agreement between the Parties or (2) preclude the Parties from entering into other agreements with respect to matters not specifically addressed in this Agreement.

SECTION 1.05. Extent of Covenants; No Personal Liability All covenants, obligations, and agreements of the Parties contained in this Agreement shall be effective to the extent authorized and permitted by applicable law. No such covenant, obligation, or agreement shall be deemed to be a covenant, obligation, or agreement of any present or future member, trustee, officer, agent, or employee of the Parties in other than his or her official capacity; and neither the board members or Trustees of the Parties, nor any official executing this Agreement shall be liable personally under this Agreement or be subject to any personal liability or accountability by reason of the execution of this Agreement or by reason of the covenants, obligations, or agreements of the Parties contained in this Agreement.

SECTION 1.06. Liability of the Parties The Parties shall not have any liability to each other or to any other party for any mistakes or errors in judgment or for any act or omission believed in good faith to be in the scope of authority conferred upon such party by this Agreement. The fact that a party has acted or not acted pursuant to the instructions of the other party or has obtained the advice of legal counsel that such act or omission is within the scope of the authority conferred by this Agreement shall be conclusive evidence that the party believed in good faith such act or omission to be within the scope of the authority conferred by this Agreement.

SECTION 1.07. No Third Party Beneficiary Only the CIC, West Clermont and the Township shall have any rights under this Agreement. No other persons or entities, shall have any rights under this Agreement or be deemed to be third-party beneficiaries of this Agreement.

ARTICLE II

REPRESENTATIONS AND FURTHER AGREEMENTS

SECTION 2.01. Representations of the CIC The CIC represents as follows:

- (a) it is a community improvement corporation organized and existing as a corporation not for profit under the laws of the state of Ohio;
- (b) it has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder;
- (c) the execution, delivery, and performance of this Agreement have been duly authorized by all requisite action on the part of the CIC; and this Agreement, when executed and delivered by the CIC, will constitute a legal, valid, and binding obligation of the CIC; and

SECTION 2.02. Representations of the Township The Township represents as follows:

- (a) its Board of Trustees is the duly constituted and duly elected governing body of Union Township under the laws of the State;
- (b) it has full power and authority to execute and to deliver this Agreement and to perform its obligations hereunder;
- (c) the execution, delivery, and performance of this Agreement have been duly authorized by all requisite action on the part of the Board; and this Agreement, when

executed and delivered by the Board, will constitute a legal, valid, and binding obligation of Union Township;

SECTION 2.03. Representations of West Clermont

(a) Its Board is the duly constituted and duly elected Board of Education responsible for the management and control of all public schools in the West Clermont local school district.

(b) it has full power and authority to execute and to deliver this Agreement and to perform its obligations hereunder;

(c) the execution, delivery, and performance of this Agreement have been duly authorized by all requisite action on the part of the Board; and this Agreement, when executed and delivered by the Board, will constitute a legal, valid, and binding obligation of Union Township;

SECTION 2.04. Challenge to Agreement

(a) Each Party waives any and all rights it may have to commence or to maintain any civil action or other proceeding to contest, to invalidate, or otherwise to challenge this Agreement or any of the actions required or contemplated by this Agreement, or to take any actions, either directly or indirectly, to oppose in any other way, or to initiate, promote, or support the opposition of, this Agreement or any of the actions required or contemplated by this Agreement.

(b) In the event of a court action by a third party challenging the validity or enforceability of this Agreement or any of its provisions, the Parties shall fully cooperate to vigorously defend this Agreement. If less than all the Parties are named as parties to the action, the other Parties shall seek to intervene, and each named Party shall support such intervention. The cost of defending this Agreement shall be shared equally by the parties. No settlement of such an action shall be permitted without the approval of all parties to this Agreement.

SECTION 2.05. Good Faith and Fair Dealing. The parties hereby acknowledge and agree that this Agreement imposes upon each of them a duty of good faith and fair dealing in its implementation and performance. The parties further acknowledge and agree that in the event of any disagreements arising hereunder, the Parties shall act in good faith to promptly resolve such disagreements.

SECTION 2.06. Assignment. The Parties may not assign this Agreement, in whole or in part, voluntarily or involuntarily, by operation of law, or otherwise, without the prior written consent of each of the other parties.

ARTICLE III

TERM AND REMEDIES

SECTION 3.01. Term; Termination. This Agreement shall become effective on the Effective Date. Unless sooner terminated pursuant to the other provisions of this Agreement, this Agreement shall continue in effect for fifty (50) years from the effective date.

SECTION 3.02. Mediation. If the Parties are unable to resolve a dispute as to the meaning or application of this Agreement, or if any Party believes there has been a breach by another Party, the Parties shall participate in mediation of the dispute. The mediator shall be an impartial individual chosen jointly by the Parties. The Parties shall attempt in good faith to avoid the need for litigation of disputes through mediation. This Section 3.02 does not, however, preclude any Party from instituting litigation if necessary, in the opinion of the Party, for the protection of the Party's interests.

SECTION 3.03. Waiver of Breach. No waiver by any Party will be effective unless it is in writing and then only to the extent specifically stated and agreed to by the Parties. No failure on the part of any Party to exercise, and no delay in exercising, any right, power, or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power, or remedy by any Party preclude any other or further exercise thereof or the exercise of any other right, power, or remedy. Failure of any Party to demand strict performance of the provisions of this Agreement by the other Parties, or any forbearance by any Party in exercising any right or remedy hereunder or otherwise afforded by law, shall not constitute a waiver by such Party of any provision of this Agreement. Any condition, term, or covenant in this Agreement that is not complied with will be considered a breach.

ARTICLE IV

MISCELLANEOUS

SECTION 4.01. Time Is of the Essence. Time is of the essence in the compliance with the terms and conditions of this Agreement.

SECTION 4.02. Notices.

(a) Any notice provided for in this Agreement shall be in writing and shall be deemed to have been duly given as follows:

- (1) upon receipt, when delivered personally to a Party at its address as hereinafter set forth; or
- (2) one business day after being delivered to a reputable overnight courier service, prepaid, marked for next-day delivery to a Party at its address as hereinafter set forth; or
- (3) on the third business day after being mailed by United States mail, registered or certified, return receipt requested, postage prepaid, addressed to a Party at its address as hereinafter set forth; or
- (4) upon confirmation of receipt by telephone at the number specified for confirmation, if sent by facsimile transmission to a Party at its facsimile number as hereinafter set forth.

- i. All notices to be given to the CIC pursuant to this Agreement shall be sent to the CIC at the following address:

The CIC
Attn: Executive Director
4350 Aicholtz Road
Cincinnati, OH 45245
Facsimile (513) 752-5732

- (c) All notices to be given to the Township pursuant to this Agreement shall be sent to the Board at the following address:

Union Township
Attn: Union Township Administrator
4350 Aicholtz Road
Cincinnati, Ohio 45245
Facsimile: (513) 752-5732

- (d) All notices to be given to West Clermont pursuant to this Agreement shall be sent to West Clermont at the following address:

West Clermont
Attn: Alana Cropper
4350 Aicholtz Road
Cincinnati, OH 45245
Facsimile (513) 752-6158

- (e) Any Party may at any time change its address and/or facsimile number for such notices, requests, demands, or statements by giving the other Parties written notice thereof in accordance with Section 4.02(a).

SECTION 4.03. Governing Law; Jurisdiction and Venue. This Agreement shall be governed by the laws of the State of Ohio in all respects, including matters of construction, validity, and performance. The Parties agree that any action relating to or arising out of this Agreement may be brought against the other Party only in the Clermont County, Ohio, Court of Common Pleas; and each Party consents to the jurisdiction of such court (and of the appropriate appellate courts), and waives any objection to venue laid therein.

SECTION 4.04. Entire Agreement. This Agreement (including the Recitals and Exhibits hereto, which are by this reference incorporated herein and made a part hereof) sets forth all understandings between the Parties respecting the subject matter of this transaction, and all prior agreements, understandings, and representations, whether oral or written, representing this subject matter are merged into and superseded by this written Agreement. No course of prior dealings between the parties and no usage of trade shall be relevant or admissible to supplement, to explain, or to vary any of the terms of this Agreement.

SECTION 4.05. Binding Effect. This Agreement, and the terms, covenants, and conditions hereof, shall be binding upon and inure to the benefit of the Parties and, subject to the prohibitions of assignment set forth herein, their respective administrators, successors, and assigns.

SECTION 4.06. Counterparts; Email or Facsimile Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. It shall not be necessary in proving this Agreement to produce or account for more than one of those counterparts. The Parties further agree that email or facsimile signatures by the Parties shall be binding to the same extent as original signatures.

SECTION 4.07. References to Parties. Any reference in this Agreement to West Clermont, the Township or the CIC or to any officers of West Clermont, the Township or the CIC includes those entities or officials succeeding to their functions, duties or responsibilities pursuant to or by operation of law or lawfully performing their functions.

SECTION 4.08. Ambiguity. The Parties have participated jointly in the negotiation and drafting of this Agreement. Should any ambiguity or question of intent or interpretation arise with respect to any provision of this Agreement, including any exhibit hereto, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring either Party by virtue of the authorship of any of the provisions of this Agreement.

SECTION 4.09. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law; but, if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

SECTION 4.10. Amendment. This Agreement may not be modified, altered, amended, or discharged, or any rights hereunder waived, except by an instrument in writing executed by the Party to be charged with such modification, alteration, amendment, discharge, or waiver.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, this Funding Participation Agreement has been duly executed and delivered for, in the name of, and on behalf of the Parties by their duly authorized officers, all as of the Effective Date.

UNION TOWNSHIP, CLERMONT COUNTY,

By: _____


Executive Director

WEST CLERMONT BOARD OF EDUCATION

By: 

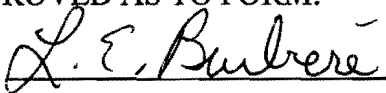
UNION TOWNSHIP, acting by and through its Board of Township Trustees

By:



Administrator

APPROVED AS TO FORM:

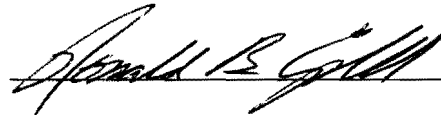
By: 

Law Director, Union Township,

Clermont County, Ohio

FISCAL OFFICER'S CERTIFICATE

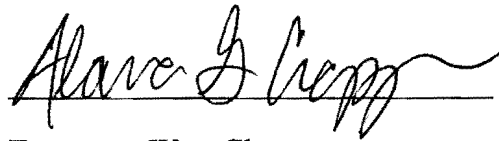
The undersigned, the Fiscal Officer of Union Township, Clermont County, Ohio, hereby certifies that the moneys required (if any) to meet the obligations of the Board of Township Trustees of Union Township for the year 2015 under the foregoing Funding Agreement have been lawfully appropriated and are in the treasury of Union Township or are in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This Certificate is given in compliance with ORC § 5705.41.


Fiscal Officer, Union Township

Dated: 1/8, 2015

TREASURER'S CERTIFICATE

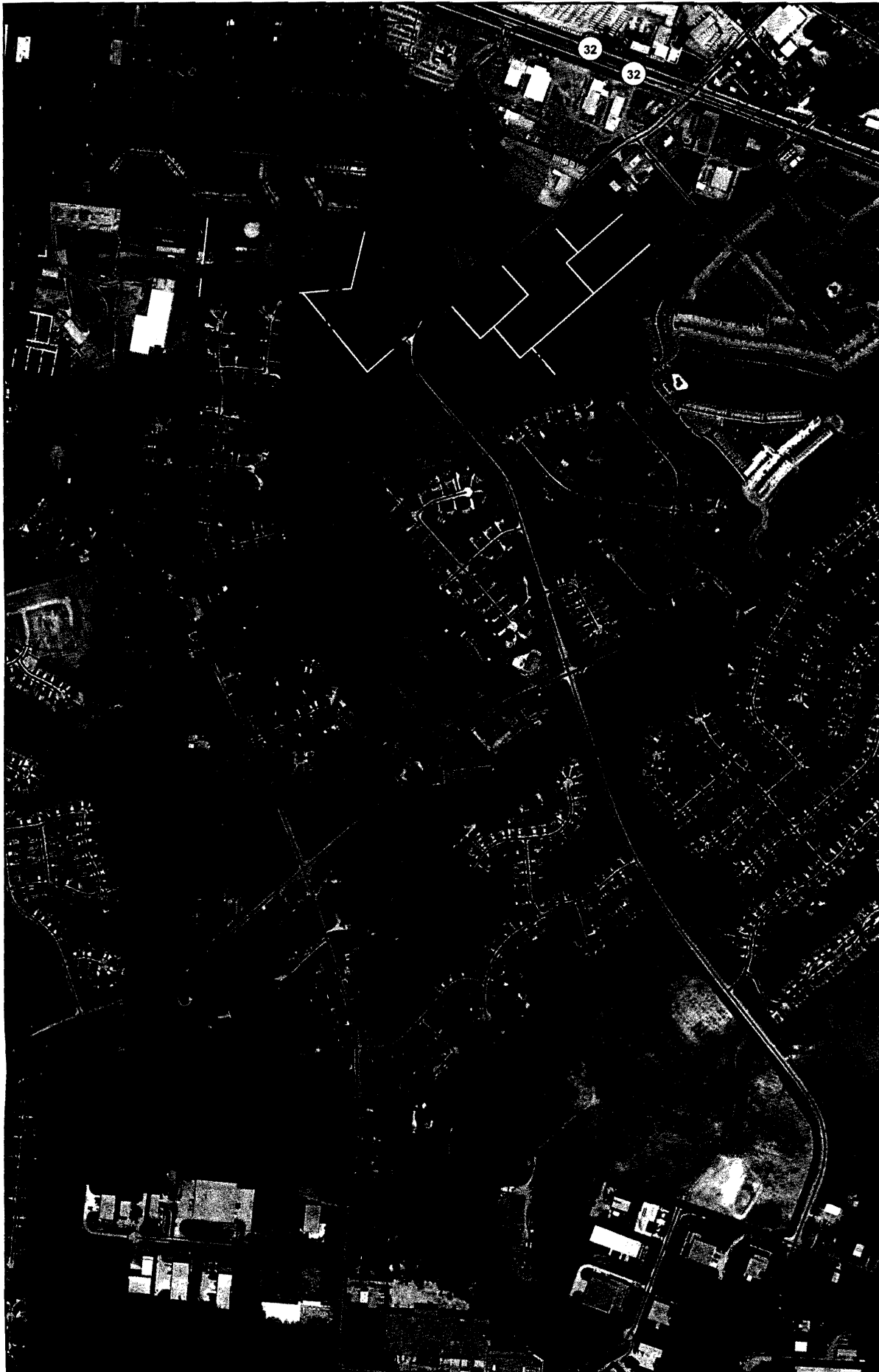
The undersigned, the Treasurer of West Clermont Board of Education, Clermont County, Ohio, hereby certifies that the moneys required (if any) to meet the obligations of the West Clermont Board of Education for the year 2015 under the foregoing Funding Agreement have been lawfully appropriated and are in the treasury of West Clermont or are in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This Certificate is given in compliance with ORC § 5705.41.

A handwritten signature in cursive script, reading "Alan G. Cropp", written over a horizontal line.

Treasurer, West Clermont

Dated: 1/8, 2015

UNION TWP / WCSD / UTCIC 2015
EXHIBIT A



APPENDIX I

TIF AREA

**UNION TOWNSHIP
RESOLUTION NO. 2015 - 16
GLENESTE CAMPUS EAST TIF**



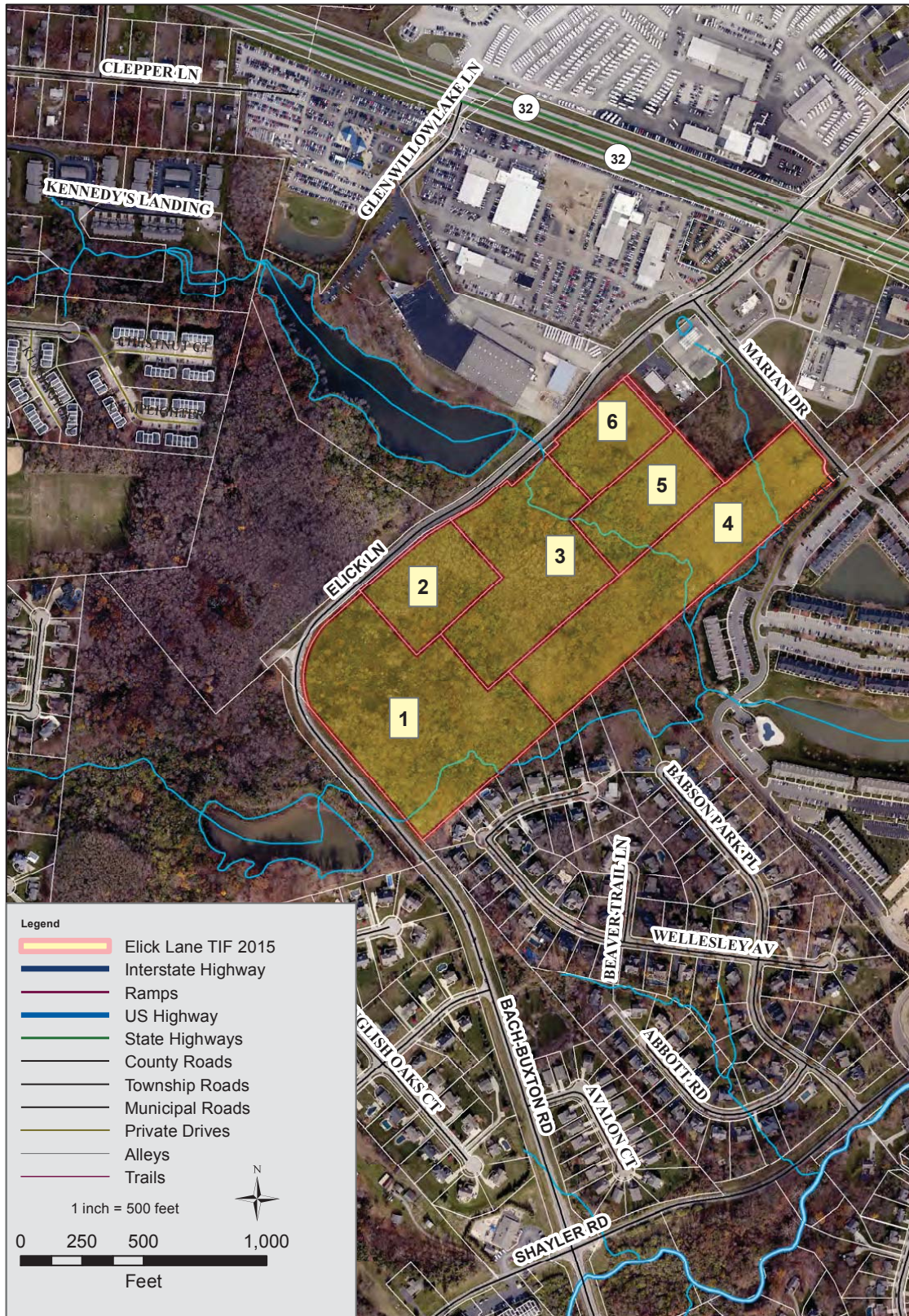
**UNION TOWNSHIP
GLENESTE CAMPUS EAST TIF PROPERTIES**

1. PIN 413103I304
2. PIN 413102A108
3. PIN 413102A119



UNION TOWNSHIP
PLANNING & ZONING DEPARTMENT
4350 AICHOLTZ ROAD
CINCINNATI, OHIO 45245
PH. (513) 753-2300
FAX (513) 753-2697
www.union-township.oh.us

UNION TOWNSHIP RESOLUTION NO. 2015 - 15 ELICK LANE TIF DISTRICT



UNION TOWNSHIP ELICK LANE TIF PROPERTIES

1. PIN 4131031305
2. PIN 4131031306
3. PIN 4131031307
4. PIN 4131031273
5. PIN 4131031295
6. PIN 4131031289



UNION TOWNSHIP
PLANNING & ZONING DEPARTMENT
4350 AICHOLTZ ROAD
CINCINNATI, OHIO 45245
PH. (513) 753-2300
FAX (513) 753-2697
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APPENDIX J

Specimen Bond Insurance Policy



MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal amount
of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _____

Initial Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Initial Insurance Payment: \$ _____

Annual Insurance Payments: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above under the Security Documents, 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.

BAM will make payment as provided in this Policy to the Trustee or Paying Agent on the later of (i) the Business Day on which such principal and interest becomes Due for Payment and (ii) the first Business Day following the Business Day on which BAM shall have received a completed Notice of Nonpayment in a form reasonably satisfactory to it. 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 BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of this paragraph, and BAM shall promptly so advise the Trustee or Paying Agent who may submit an amended Notice of Nonpayment.

Payment by BAM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of BAM under this Policy. Upon disbursement under this Policy in respect of a Bond BAM shall become entitled to reimbursement of the amount so paid (together with interest and expenses) pursuant to the Security Documents and Debt Service Reserve Agreement.

The amount available under this Policy for payment shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or Paying Agent under the terms of this Policy shall automatically be reduced by and to the extent of any payment under this Policy. However, after such payment, the amount available under this Policy shall be reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such payment (after taking into account the payment of interest and expenses) to BAM by or on behalf of the Issuer. Within three (3) Business Days of such reimbursement, BAM shall provide the Trustee or the Paying Agent with Notice of Reinstatement, in the form of Exhibit A attached hereto, and such reinstatement shall be effective as of the date BAM gives such notice.

Payment under this Policy shall not be available with respect to (a) any Nonpayment that occurs prior to the Effective Date or after the end of the Term of this Policy or (b) Bonds that are not outstanding under the Security Documents. In no event shall BAM incur duplicate liability for the same amounts owing with respect to the Bonds that are covered under this Policy and any other BAM issued insurance 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 (as hereinafter defined) are authorized or required by law or executive order to remain closed. "**Debt Service Reserve Agreement**" means the Debt Service Reserve Fund Agreement, dated as of the effective date hereof, in respect of this Policy, as the same may be amended or supplemented from time to time. "**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 BAM 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 made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy or other acceptable electronic delivery, from and signed by the Trustee or the Paying Agent, which notice shall be in a form and substance satisfactory to BAM and shall specify and include (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions, (e) the date such claimed amount becomes or became Due for Payment, (f) representations and agreements regarding the assignment and subrogation rights of BAM, and (g) such other provisions as BAM may reasonably require. A form of such Notice can be obtained from BAM upon request. "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, the Member or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds. "Policy Limit" means the lesser of (i) Maximum Policy Limit, and (ii) the dollar amount of the debt service reserve fund required to be maintained for the Bonds by the Security Documents from time to time (the "Reserve Account Requirement"), as specified in the Debt Service Reserve Agreement. The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of, or if this Policy is only providing a portion of the Reserve Account Requirement, in the same proportion as, each reduction in the Reserve Account Requirement, as provided in the Security Documents. "Security Documents" means any resolution, ordinance, trust agreement, trust indenture, loan agreement and/or lease agreement or any similar document and any additional or supplemental document executed in connection with the Bonds. "Term" means the period from and including the Effective Date until the earlier to occur of (i) the maturity date of the Bonds and (ii) the date on which the Bonds are no longer outstanding under the Security Documents.

BAM 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 BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM 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 BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked, whether for failure to pay any Installment Payment set forth in the attached Schedule or otherwise.

This Policy sets forth in full the undertaking of BAM 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, 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. **THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.**

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

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