OFFICIAL STATEMENT DATED AUGUST 20, 2014

NEW ISSUE

Rating: Moody's: Aa2
State Credit Enhancement
See "Ratings" and "State Credit Enhancement" herein

In the opinion of Bond Counsel, under existing law (i) assuming compliance with certain covenants and the accuracy of certain representations, interest on the Refunding Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code of 1986, as amended (the Code), and (ii) that interest, and any profit made on the sale, exchange or other disposition of the Refunding Bonds, are exempt from the Ohio personal income tax, Ohio commercial activity tax, the net income base of the Ohio corporate franchise tax, and municipal and school district income taxes in Ohio. (For a more complete discussion of tax aspects, see "Tax Matters" herein.)

The Refunding Bonds are designated as "qualified tax-exempt obligations" with respect to investments by certain financial institutions under Section 265 of the Code.

OFFICIAL STATEMENT OF THE

$2,860,000
EDISON STATE COMMUNITY COLLEGE DISTRICT, OHIO
GENERAL RECEIPTS REFUNDING BONDS, SERIES 2014

Dated: Date of Issuance **Due: December 1, as shown below**

The General Receipts Refunding Bonds, Series 2014 (the "Refunding Bonds") are special obligations of the Edison State Community College District, Ohio (the "District'), issued under the Trust Agreement dated as of April 15, 2006, as supplemented by the First Supplemental Trust Agreement dated as of April 15, 2006, the Second Supplemental Trust Agreement date as of April 15, 2006 and the Third Supplemental Trust Agreement dated as of September 9, 2014, each between the District and U.S. Bank National Association, as Trustee, to refund outstanding bonds. (See "Plan of Financing".)

Principal, interest and any premium payable on the Refunding Bonds and on any additional General Receipts Obligations that may be issued are payable solely from the General Receipts of the District and the pledged Special Funds, as defined in and subject to the provisions of the Trust Agreement. ***The Refunding Bonds are not obligations of the State of Ohio, are not general obligations of the District, and the full faith and credit of the District is not pledged to their payment, Bondholders have no right to have excises or taxes levied by the District or by the Ohio General Assembly for payment of principal, interest or redemption premium on the Refunding Bonds.***

The Refunding Bonds will be initially issued only as fully registered bonds, one for each maturity, issuable under a book entry system, registered initially in the name of The Depository Trust Company or its nominee (DTC). There will be no distribution of Refunding Bonds to the ultimate purchasers. The Refunding Bonds in certificated form as such will not be transferable or exchangeable, except for transfer to another nominee of DTC or as otherwise described in this Official Statement. (See **Book Entry Method.**)

Principal and interest and any premium are payable to the registered owner (initially, DTC), the principal due on December 1 in the indicated years and any premium upon presentation and surrender at the designated corporate trust office of the Trustee, and interest transmitted by the Trustee on each interest payment date (June 1 and December 1 of each year, beginning December 1, 2014) as shown on the Register as of the 15th day of the month preceding that interest payment date.

Maturity	Principal	Interest Rate	Reoffering Price	CUSIP[(1)]
2014	$ 30,000	1.00%	100.170%	281035AS4
2015	35,000	1.00	100.611	281035AT2
2016	225,000	2.00	102.756	281035AU9
2017	235,000	2.00	103.006	281035AV7
2018	235,000	2.00	102.994	281035AW5
2019	240,000	2.00	101.745	281035AX3
2020	245,000	2.00	100.583	281035AY1

Maturity	Principal	Interest Rate	Reoffering Price	CUSIP[(1)]
2021	$250,000	3.00%	105.569%	281035AZ8
2022	260,000	3.00	104.834	281035BA2
2023	265,000	3.00	104.095	281035BB0
2024	270,000	3.00	103.569	281035BC8
2025	280,000	3.25	104.428	281035BD6
2026	290,000	3.50	105.728	281035BE4

Refunding Bonds shall be subject to redemption prior to maturity as set forth in this Official Statement.

The Refunding Bonds are offered when, as and if issued, and accepted by the Underwriter, subject to the opinion on certain legal matters relating to their issuance by Peck, Shaffer & Williams, A division of Dinsmore & Shohl LLP, Bond Counsel. The Refunding Bonds are expected to be available for delivery at DTC on September 9, 2014.

FIFTH THIRD SECURITIES

This Official Statement has been prepared by the District in connection with its original offering for sale of the Refunding Bonds. This cover page includes certain information for quick reference only. *It is not a summary of the Refunding Bond issue.* Investors should read the entire Official Statement to obtain information as a basis for malting informed investment judgments.

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(1) CUSIP® is a registered trademark of the American Bankers Association. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only, and neither the Trustee, the District nor the Underwriter makes any representation with respect to such numbers or undertakes any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Refunding Bonds as a result of various subsequent actions including, but not limited to, a defeasance in whole or in part of the Refunding Bonds.

REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Refunding Bonds identified on the cover hereof. No dealer, broker, salesman or other person has been authorized by the 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 District. 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 Refunding Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement speaks only of its date, and the information contained herein is subject to change.

The information and descriptions in this Official Statement do not purport to be comprehensive or definitive. Statements regarding specific documents, including the Trust Agreement and the Refunding Bonds, are summaries and subject to the detailed provisions of those documents and are qualified in their entirety by reference to the appropriate document, copies of which will be made available upon request for examination at the office of the Underwriter during the initial offering of the Refunding Bonds and thereafter at the designated corporate trust office of the Trustee. The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a 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.

Upon issuance, the Refunding Bonds will not be registered by the District 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 District will have, at the request of the District, passed upon the accuracy or adequacy of this Official Statement or approved the Refunding Bonds for sale.

All financial and other information presented in this Official Statement has been provided by the District from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from appropriations, fees and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. 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.

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.

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

CUSIP data is assigned by Moody's Investor's Services, Inc., CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc., an independent company not affiliated with the District or the Underwriter. Neither the District nor the Underwriter is responsible for the selection or uses of CUSIP numbers, and no representation is made as to their correctness. CUSIP numbers are subject to change after issuance of the Refunding Bonds.

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INTRODUCTORY STATEMENT

This Official Statement has been prepared by the Edison State Community College District (the "District"), Ohio, in connection with its original issuance and sale of the General Receipts Obligations identified on the cover page (the "Refunding Bonds"). Certain information concerning the authorization, purpose, terms, and security for and source of payment of the Refunding Bonds is provided in this Official Statement.

The District, a political subdivision of the State, owns and operates Edison State Community College (the "College"), a publicly owned and supported, and State-assisted, two-year community college located in Miami County, Ohio. The 2014 spring term enrollment at the College was 2,948. Information concerning the District appears at Appendix A.

The Refunding Bonds are being issued pursuant to Chapter 3358 and Sections 3345.12 and 3354.121 of the Ohio Revised Code (collectively, the "Act"), a resolution adopted by the Board of Trustees of the District (the "Board") on June 25, 2014 (the "Bond Legislation"), and a Trust Agreement dated as of April 15, 2006 (the "Original Trust Agreement"), as supplemented by the First Supplemental Trust Agreement dated as of April 15, 2006 (the "First Supplement"), the Second Supplemental Trust Agreement dated as of April 15, 2006 (the "Second Supplement"), and the Third Supplemental Trust Agreement dated as of September 9, 2014 (the "Third Supplement" and together with the First Supplement, the Second Supplement and the Original Trust Agreement, the "Trust Agreement"), each between the District and U.S. Bank National Association, Cincinnati, Ohio, as trustee (the "Trustee").

Pursuant to the Act, the District is authorized to construct "facilities" as defined in the Act, and to pay all or part of the costs of those facilities, and to refund, fund or retire prior obligations issued for that purpose, by the issuance of bonds, notes and other bonds or other evidences of obligation, including interim receipts or certificates issued pending preparation of definitive obligations to be exchanged therefor, payable from General Receipts of the District. The Trust Agreement authorizes the issuance of obligations secured by a pledge of the District's General Receipts (referred to herein alternatively as the "Obligations" or the "General Receipts Obligations") to finance costs of those authorized facilities (referred to in the Trust Agreement as Issuer Facilities). The First Supplement specifically authorizes the issuance of the bonds being refunded, which are the District's first issue of General Receipts Obligations, and the Third Supplement authorizes the issuance of the Refunding Bonds.

All financial and other information in this Official Statement has been provided by the District from its records, except for information expressly attributed to other sources and certain underwriting information. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the 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.

This Official Statement should be considered in its entirety and no one subject considered less important than another by reason of location in the text. Reference should be made to laws, reports or documents referred to for more complete information regarding their contents.

References to provisions of Ohio law or of the Ohio Constitution, are references to those current provisions. Those provisions may be amended, repealed or supplemented.

As used in this Official Statement "debt service" means principal and interest and any redemption premium payable on the obligations referred to, "County" means Miami County, Ohio, "State" or "Ohio" means the State of Ohio, and "Fiscal Year" means the 12-month period from July 1 to June 30. Reference to a particular Fiscal Year (such as "Fiscal Year 2013") means the fiscal year that ends on June 30 in the indicated year.

The General Receipts Obligations

The General Receipts Obligations represent a type of financing of facilities by state-assisted institutions of higher education in Ohio authorized by an amendment to the Ohio Constitution as implemented by the Act. Significant elements of this financing are the broad scope and gross pledge character of the security afforded to the Obligations, and the simplicity and flexibility provided by permitting all authorized types of Issuer Facilities to be financed under one open-end trust agreement. Currently, the District's only outstanding General Receipts Obligations is the Series 2006 Bonds in the outstanding principal amount of $3,025,000 which were issued for the purpose of financing certain capital improvements (See "THE DISTRICT AND THE COLLEGE – Indebtedness" herein).

Security provisions include the pledge to the Obligations, on a gross pledge and first lien basis, of the District's General Receipts. General Receipts include the full amount of every type and character of receipts, excepting only those specifically excluded (such as State appropriations and local ad valorem property tax receipts). In Fiscal Year 2013 the pledged General Receipts of the District amounted to approximately $10,261,000. (See "Security and Sources of Payment--General Receipts Pledged to the Obligations".) In addition, the District is participating in a credit enhancement program with respect to the Refunding Bonds available under State law pursuant to which the District's State Share of Instructions may be paid directly to the Trustee by the State under certain circumstances. See "SECURITY AND SOURCES OF PAYMENT – Ohio Community and Technical College Credit Enhancement Program."

The Obligation proceedings provide for the District's mandatory budgeting of its General Receipts in an amount sufficient to pay Debt Service Charges when due in each Fiscal Year. Payments are to be made by the District to the Trustee, not later than one business day preceding each interest payment date for the Obligations, for deposit into the Debt Service Account of the Debt Service Fund, a special trust fund held in the custody of the Trustee. Amounts in the Debt Service Account are to be applied by the Trustee to pay Debt Service Charges when due. (See "The Trust Agreement--Debt Service Account".)

In addition, the District has covenanted to fix, make, adjust and collect items of General Receipts to produce at all times General Receipts at least sufficient to pay Debt Service Charges when due and satisfy other requirements with respect to the Obligations and, together with other moneys available, to pay all other costs and expenses necessary for the proper maintenance and successful and continuous operation of the College. (See "Security and Sources of Payment--Covenant as to Sufficiency of General Receipts".)

The Trust Agreement is the basic document pertaining to all General Receipts Obligations and prescribes the conditions for the issuance of additional parity Obligations ("Additional Obligations"). For each issue of Additional Obligations a Supplemental Trust Agreement is to be delivered, setting forth detailed provisions for that issue. For coverage requirements relating to the issuance of Additional Obligations, see "The Trust Agreement--Additional Obligations".

The proceeds of all General Receipts Obligations are to be applied solely to pay costs of Issuer Facilities, and to refund, fund or retire obligations issued for that purpose, as specifically provided and allocated in the applicable Series Resolution.

Issuer Facilities are defined in the Trust Agreement as any "facilities" as defined in the Act to be financed by the issuance of Obligations, except housing and dining facilities. The Act currently authorizes the financing of "facilities," defined to include "auxiliary facilities" (hospitals, infirmaries and other medical and health facilities, student activity or student service facilities, dining halls or other food service and preparation facilities, vehicular parking facilities, bookstores, athletic and recreational facilities, faculty centers, auditoriums, assembly and exhibition halls, research and continuing education facilities), and "educational facilities" (classrooms, or other instructional facilities, libraries, administrative and office facilities, and other facilities, other than auxiliary facilities, to be used directly or indirectly for or in connection with the conduct of the institution of higher education), and any one, part of or any combination of those facilities.

Constitutional and Statutory Authorization

The Obligations are authorized pursuant to the Act, enacted under authority of Section 2i of Article VIII of the Ohio Constitution which provides that the General Assembly may authorize the issuance of revenue obligations and other obligations for capital improvements for state supported and state assisted institutions of higher education, which obligations may be secured by a pledge under law of all or such portion of receipts of those institutions as the General Assembly authorizes. Section 2i further provides that **the owners or holders of those obligations, such as the Obligations, are not given the right to have excises or taxes levied by the General Assembly for the payment of principal or interest.**

The Act authorizes the issuance by the District of the Obligations to pay all or part of the cost of "facilities" (referred to as "Issuer Facilities" in the Trust Agreement) and to refund, fund or retire obligations previously issued for the purpose; authorizes the pledge to the Obligations of all or such part of the "available receipts" of the District as the District determines in the Obligation proceedings (being the General Receipts); and provides that the pledge of and lien on General Receipts may, as provided for in the Trust Agreement, be made prior to all other expenses, claims or payments.

PLAN OF FINANCING

The Refunding Bonds are being issued to advance refund a portion of the General Receipts Bonds, Series 2006 dated as of April 28, 2006 issued in the original amount of $4,060,000. The Series 2006 Bonds were originally issued to pay the cost of Issuer Facilities consisting of the Regional Centers of Excellence Project. The Regional Centers of Excellence is a 35,700 square foot facility that houses a comprehensive Library Learning Center and Health Sciences Classrooms. Construction of the Project was completed in April of 2007.

The Series 2006 Bonds maturing on December 1, 2017 (to include the December 1, 2016 mandatory sinking fund payment on the 2017 term bond) and thereafter (the “Refunded Bonds”) are expected to be redeemed on June 1, 2016 at par plus accrued interest to the redemption date.

The lawfully authorized sources of payment for all Obligations outstanding are not limited to the revenues associated with any particular projects financed. All of the General Receipts of the District are pledged to the payment of Debt Service Charges on all the Obligations, including the Refunding Bonds. See “Security and Sources of Payment”.

Estimated Sources and Uses of Funds

Sources of funds are expected to consist of:

Par Amount of Refunding Bonds	$2,860,000.00
Net Premium	102,395.75
Contributions	316,200.00
Total	$3,278,595.75

The proceeds of the Refunding Bonds (inclusive of net original issue premium and exclusive of any accrued interest) and other monies of the District are currently estimated to be applied for the following uses and in the following respective amounts:

Escrow Fund	$2,906,907.27
Debt Service Reserve Fund	286,000.00
Underwriter's discount and other costs of issuance	85,688.48
Total	$3,278,595.75

SECURITY AND SOURCES OF PAYMENT

The Refunding Bonds are special obligations of the District. Debt service on the Refunding Bonds is to be paid from the proceeds of the pledged General Receipts. The Refunding Bonds are being issued pursuant to, and will be secured by, the Trust Agreement. All outstanding Obligations, including the Refunding Bonds and any Additional Obligations, are and will be payable from and secured by a first pledge of and lien on the General Receipts of the District, subject to bankruptcy law and other laws affecting creditors' rights and to the exercise of judicial discretion.

Under certain circumstances debt service on the Refunding Bonds may be paid from any amounts then presently due to the District as its State Share of Instruction payment ("SSI Payment") in accordance with an agreement among the Chancellor of the Board of Regents of the State (the "Chancellor"), the District and the Trustee, pursuant to which the Chancellor will pay the Trustee, upon notice from the Trustee of a shortfall in funds available to pay such debt service, the periodic SSI Payment next scheduled for distribution to the District. See "Ohio Community College and Technical College Credit Enhancement Program."

The Refunding Bonds are not general obligations of the District, and do not pledge the full faith and credit of the District. Expressly excluded from General Receipts are State appropriations and proceeds of local ad valorem property tax levies.

The District covenants in the Trust Agreement to include in its budget for each Fiscal Year amounts from its General Receipts at least sufficient to pay for the operation and maintenance of the District and pay the Debt Service Charges on the Obligations when due and satisfy other requirements with respect to the Obligations (see "The Trust Agreement--District Budgeting Requirements").

The Trust Agreement establishes the Debt Service Fund, a special fund held by the Trustee, for the payment of Debt Service Charges on the Obligations. The District is to make payments from General Receipts to the Debt Service Account in the Debt Service Fund in an amount and at the time set forth herein under "THE TRUST AGREEMENT – Debt Service Account".

The District may provide for bond insurance or other credit support instrument, or a reserve fund or account, with respect to any one or more series of Obligations and not with respect to any other Obligations or series of Obligations. The Refunding Bonds and the remaining outstanding Series 2006 Bonds are secured by monies and investments in a special subaccount within the Debt Service Reserve Account which is to contain an amount initially equal to $286,000 and to maintain an amount at least equal to the Required Reserve.

General Receipts Pledged to the Obligations

General Receipts pledged to the security and payment of the Obligations include all the receipts of the District, excepting only receipts expressly excluded by the Trust Agreement.

General Receipts are defined in the Trust Agreement as all moneys received by the District including but not limited to all gross fees, deposits, charges, receipts and income from all or any part of the students of the District, whether designated as tuition, instructional fees, tuition surcharges, general fees, activity fees, health fees or other special purpose fees or otherwise designated; all gross income, revenues and receipts from the operation, ownership, or control of Issuer Facilities; all grants, gifts, donations and pledges and receipts therefrom; and the proceeds of the sale of obligations, including proceeds of obligations issued to refund obligations previously issued, to the extent and as allocated to the payment of Debt Service Charges under the proceedings authorizing those obligations.

Exclusions from General Receipts are moneys raised by taxation (State and local) and State appropriations until and unless their pledge to Debt Service Charges is authorized by law (not anticipated to occur) and is made by a supplemental trust agreement; any grants, gifts, donations and pledges, and receipts therefrom, which under restrictions imposed in the grant or promise or as a condition of the receipt are not available for payment of Debt Service Charges; and any special fee charged pursuant to Section 154.21(D) of the Revised Code and receipts therefrom (that fee, relating to bonds of the State issued by the Ohio Public Facilities Commission, has never been required to be imposed and is not anticipated to be required to be imposed).

Pursuant to the Act, upon their receipt by the District the General Receipts are immediately subject to the lien of the pledge made by the Trust Agreement, and the lien of that pledge is valid against all parties having claims of any kind, regardless of notice, and creates a perfected security interest without necessity for prior separation, physical delivery, filing or recording or further act by the District.

The following table summarizes General Receipts for the following five Fiscal Years:

GENERAL RECEIPTS
($ in 000s)

	Fiscal Year Ended June 30				
	2009	**2010**	**2011**	**2012**	**2013**
Student Fees	$ 5,851	$ 4,594	$ 4,039	$ 3,826	$ 4,199
Unrestricted Gifts, Grants and Contracts	4,428	6,017	8,789	7,285	5,526
Sales and Services	1,393	830	302	334	269
Investments and Other General Income	201	189	217	206	267
TOTAL	$11,873	$11,630	$13,347	$11,651	$10,261

Source: Audited financial statements of the College for each of the five Fiscal Years ended June 30

The District is not aware of any factors that would result in the amount of General Receipts in any future Fiscal Year being materially less than those for Fiscal Year 2013, or that would impair its ability to pay Debt Service Charges on the Refunding Bonds.

ANNUAL DEBT SERVICE CHARGES AND COVERAGE

The following shows the actual annual Debt Service Charges on the Refunding Bonds:

Date	Principal	Coupon	Interest	Total P+I
12/01/2014	$ 30,000.00	1.000%	$ 17,049.17	$ 47,049.17
06/01/2015	-	-	37,275.00	37,275.00
12/01/2015	35,000.00	1.000%	37,275.00	72,275.00
06/01/2016	-	-	37,100.00	37,100.00
12/01/2016	225,000.00	2.000%	37,100.00	262,100.00
06/01/2017	-	-	34,850.00	34,850.00
12/01/2017	235,000.00	2.000%	34,850.00	269,850.00
06/01/2018	-	-	32,500.00	32,500.00
12/01/2018	235,000.00	2.000%	32,500.00	267,500.00
06/01/2019	-	-	30,150.00	30,150.00
12/01/2019	240,000.00	2.000%	30,150.00	270,150.00
06/01/2020	-	-	27,750.00	27,750.00
12/01/2020	245,000.00	2.000%	27,750.00	272,750.00
06/01/2021	-	-	25,300.00	25,300.00
12/01/2021	250,000.00	3.000%	25,300.00	275,300.00
06/01/2022	-	-	21,550.00	21,550.00
12/01/2022	260,000.00	3.000%	21,550.00	281,550.00
06/01/2023	-	-	17,650.00	17,650.00
12/01/2023	265,000.00	3.000%	17,650.00	282,650.00
06/01/2024	-	-	13,675.00	13,675.00
12/01/2024	270,000.00	3.000%	13,675.00	283,675.00
06/01/2025	-	-	9,625.00	9,625.00
12/01/2025	280,000.00	3.250%	9,625.00	289,625.00
06/01/2026	-	-	5,075.00	5,075.00
12/01/2026	290,000.00	3.500%	5,075.00	295,075.00
Total	**$2,860,000.00**	**-**	**$602,049.17**	**$3,462,049.17**

The District's General Receipts for Fiscal Year 2013 (approximately $10,261,000) were over 33 times the estimated maximum annual Debt Service Charges on the Refunding Bonds as shown above.

Covenant as to Sufficiency of General Receipts

The Obligations are further secured by the District's covenant in the Trust Agreement that the District will fix, make, adjust and collect fees, rates, rentals and charges and other items of General Receipts as will produce at all times General Receipts at least sufficient to pay Debt Service Charges when due, to establish and maintain any required reserve so long as required, and, together with other moneys lawfully available, to pay all costs and expenses required to be paid under the Bond proceedings and all other costs and expenses for the proper maintenance and successful and continuous operation of the College. (See discussion of fees and charges in Appendix A under The District and the College-Student Fees and Charges.)

Ohio Community and Technical College Credit Enhancement Program

Certain community colleges, state community colleges and technical colleges, including the District, that meet State-established criteria may participate in the credit enhancement program established under Section 3333.59 of the Ohio Revised Code (the "Credit Enhancement Program"). Under the Credit Enhancement Program, all or a portion of State Share of Instruction payments ("SSI Payments") to be paid to the District may be transferred by the Chancellor to the Trustee to provide for payments on the Refunding Bonds under certain circumstances. To qualify the Refunding Bonds for participation in the Credit Enhancement Program, the District must demonstrate to the Chancellor that (i) the projected SSI Payments for the current Fiscal Year are not less than 2.5 times the maximum annual Debt Service Charges on the Refunding Bonds payable in the current or any future Fiscal Year, and (ii) at any time during any Fiscal Year, the projected SSI Payments for such Fiscal Year that remain payable to the District in such Fiscal Year are not less than 1.25 times the Debt Service Charges that remain payable in such Fiscal Year.

Under the Third Supplement, the District is required to deposit funds with the Trustee in equal fractional monthly installments to provide for the accumulation of funds in the Series 2014 Debt Service Account sufficient to pay the Debt Service Charges on the Refunding Bonds when due. Provided the fractional payments of Debt Service Charges by the District are made in full and when due, amounts necessary to pay the Debt Service Charges to Bondholders will be on deposit with the Trustee approximately two months prior to each Principal Payment Date and Interest Payment Date.

The District, the Chancellor and the Trustee will enter into a program agreement (the "Program Agreement") concurrently with the issuance of the Refunding Bonds to establish a mechanism under the Credit Enhancement Program by which SSI Payments to the District will be transferred directly to the Trustee for the payment of Debt Service Charges on the Refunding Bonds if a shortfall occurs in the District's funding of Debt Service Charges. Under the Program Agreement, the District must certify to the Chancellor and the Trustee, at least 15 business days prior to the monthly due date for the required deposit by the District of fractional installments of Debt Service Charges, the amount of any insufficiency in the funds available to the District to make the required deposit. If the amount that the District deposits to the Series 2014 Debt Service Account in any month is less than the amount required by the Third Supplement, the Trustee must notify the Chancellor of such insufficiency. Upon receipt of notice of insufficiency, the Chancellor must determine whether the District is able to deposit sufficient moneys in the Series 2014 Debt Service Account to cure such insufficiency. If the Chancellor determines that the District is unable to do so, the Chancellor must pay to the Trustee from the SSI Payments otherwise payable to the District an amount equal to the lesser of (i) the amount of the deficiency and (ii) the amount of the SSI Payment allocated to the District for that month. Any such payment is to be made on the regularly scheduled date for periodic distribution of the District's allocated SSI Payment.

If SSI Payments are deposited with the Trustee pursuant to the Program Agreement, the District, in consultation with the Chancellor, is required to evaluate the District's inability to pay the monthly installments of Debt Service Charges and develop and implement corrective actions to ensure full and timely payments by the District of future monthly installments of Debt Service Charges as they become due. If any insufficiency remains after any transfers by the Chancellor, the District is required to request that the Chancellor advance an amount of its SSI Payments sufficient to pay such insufficiency. If the Chancellor approves such request, the Chancellor will deposit with the Trustee the amount of the remaining insufficiency from any amount so advanced. The amount of the SSI Payments deposited with the Trustee will not be greater than the periodic distribution due to the District, regardless of the amount owed by the District. The Chancellor will continue to make payments to the Trustee from each successive periodic distribution of the District's SSI Payments until the deficiency is paid in full.

The Program Agreement is irrevocable as long as any of the Refunding Bonds are outstanding. *The Chancellor's responsibilities under the Program Agreement are a mechanism for delivering money to the Trustee which would otherwise go to the District and are an obligation of the Chancellor only to the extent that money is appropriated by the General Assembly of the State for SSI Payments. They do not constitute obligations or debts or pledges of the faith, credit or taxing power of the State of Ohio, and the holders or owners of the Refunding Bonds have no right to have taxes levied or appropriations made by the General Assembly for the payment of debt service of the Refunding Bonds. The Program Agreement and any payments by the State thereunder do not constitute the assumption by the State of any debt of the District.* ***There can be no assurance as to the future levels of State funding of the SSI Payments.***

Information with respect to the financial condition of the State can be found at the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system, including the Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2012.

The aggregate SSI payments made to all State universities and colleges (including four-year universities, community colleges, state community colleges, and technical colleges) and the aggregate SSI Payments made to the District in each of the five preceding Fiscal Years were as follows:

State Share of Instruction Payments

Fiscal Year	Aggregate SSI Payments to All State Universities and Colleges[a]	District SSI Payments
2009	$1,817,101,568	$7,232,364
2010	1,987,582,377	7,129,112
2011	1,998,357,633	7,232,828
2012	1,735,530,031	6,564,156
2013	1,751,225,497	6,619,428

[a] Includes Access Challenge funding (and Success Challenge funding to four-year schools) for years prior to Fiscal Year 2010. Beginning in Fiscal Year 2010, Access Challenge funding and Success Challenge funding is included in SSI Payments.
Source: The Ohio Board of Regents

Only the SSI Payments payable to the District (and not those payable to other State universities and colleges, community colleges, state community colleges, or technical colleges) are available to provide for payments on the Refunding Bonds under the Credit Enhancement Program. There can be no assurance as to the future levels of State funding of SSI Payments.

Information with respect to the financial condition of the State, including particularly the Ohio Office of Budget and Management Monthly Financial Report can be found at the Investor Relations Portal maintained on the website of the Office of Budget and Management of the State of Ohio (http://obm.ohio.gov/SectionPages/bondsdebt/default.aspx). <u>This reference to this information is not intended to indicate future or continuing trends in the financial or other positions of the State, and no representation is made that recent or current experience, as might be shown by this information, will necessarily continue in the future.</u>

SUMMARY OF CERTAIN TERMS OF REFUNDING BONDS

General

The Refunding Bonds will be dated, will be payable in the amounts and on the dates, will bear interest (computed on the basis of a 360-day year and a 30-day month) at the rates and payable on the dates, and will be payable at the place and in the manner, described on the cover page.

The Trustee will keep all books and records necessary for registration, exchange and transfer of the Refunding Bonds. As a condition to exchange or transfer, the District or the Trustee may charge the Holder for any tax or excise required to be paid with respect to the exchange or transfer. Exchange or transfer of then redeemable Obligations is not required to be made (i) between the 15th day preceding the mailing of notice of Obligations to be redeemed and the date of that mailing, or (ii) of a particular Obligation selected for redemption (in whole or in part).

Discussion of the Refunding Bonds being issued only under the book entry method is provided below. Details regarding the procedures for and manner of payment, issuance, exchange, redemption and transfer of the Refunding Bonds if ever issued in certificated form are also stated below.

The Refunding Bonds will be delivered in book-entry-only form and, when issued, registered in the name of The Depository Trust Company ("DTC"), New York, New York, or its nominee Cede & Co., which will act as securities depository for the Refunding Bonds. For discussion of the book-entry system and DTC and the replacement of Refunding Bonds in the event that the book-entry system is discontinued, see "APPENDIX D."

Prior Redemption

The Refunding Bonds maturing on and after December 1, 2025 are subject to prior redemption, by and at the sole option of the District, on any date on or after December 1, 2024, in whole or in part (in whole multiples of $5,000), at the redemption price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date.

Selection of Bonds and Book Entry Interests to be Redeemed

If fewer than all outstanding Refunding Bonds are called for redemption at one time, the Refunding Bonds to be called will be called as selected by, and selected in a manner as determined by, the District.

If less than all of an outstanding Refunding Bond of one maturity under a book entry system is to be called for redemption (in the amount of $5,000 or any integral multiple), the Trustee will give notice of redemption only to DTC as registered owner. The selection of the book entry interests in that Refunding Bond to be redeemed is discussed below under “Notice of Call for Redemption; Effect”.

If bond certificates are issued to the ultimate owners, and if fewer than all of the Refunding Bonds of a single maturity are to be redeemed, the selection of Refunding Bonds (or portions of Refunding Bonds in amounts of $5,000 or any integral multiples) to be redeemed will be made by lot in a manner determined by the Trustee.

In the case of a partial redemption by lot when Refunding Bonds of denominations greater than $5,000 are then outstanding, each $5,000 unit of principal will be treated as if it were a separate Refunding Bond of the denomination of $5,000.

Notice of Call for Redemption; Effect

The Trustee is to cause notice of the call for redemption, identifying the Refunding Bonds or portions of Refunding Bonds to be redeemed, to be sent by first class mail, at least 30 days prior to the redemption date, to the registered owner (initially, DTC) of each Refunding Bond to be redeemed at the address shown on the Register on the 15th day preceding that mailing. Any defect in the notice as to any Refunding Bond will not affect the validity of the proceedings for the redemption of any other Refunding Bonds, and any failure to receive notice duly mailed will not affect the validity of the proceedings for the redemption of any Refunding Bonds.

On the date designated for redemption, Refunding Bonds or portions of Refunding Bonds called for redemption shall become due and payable. If the Trustee then holds sufficient moneys for payment of debt service payable on that redemption date, interest on each Refunding Bond (or portion of a Refunding Bond) so called for redemption will cease to accrue on that date.

So long as all Refunding Bonds are held under a book entry system by a securities depository (such as DTC), call notice is sent by the Trustee only to the depository or its nominee. Selection of book entry interests in the Refunding Bonds called, and giving notice of the call to the owners of those interests called, is the sole responsibility of the depository and of its participants and Indirect Participants. Any failure of the depository to advise any participant, or of any participant or any Indirect Participant to notify the book entry interest owners, of any such notice and in its content or effect will not affect the validity of any proceedings for the redemption of any Refunding Bonds or portions of Refunding Bonds. See “Book Entry Method”.

THE TRUST AGREEMENT

The following is a summary of certain provisions of the Trust Agreement, as supplemented by the Third Supplement (together, the “Trust Agreement”), and does not purport to be complete.

The Trust Agreement contains provisions as to (i) special funds; (ii) authentication, registration, transfer, exchange and replacement and redemption of Obligations; (iii) events of default and remedies; (iv) duties of the Trustee (and any successor); (v) supplemental trust agreements; and (vi) defeasance of the lien of the Trust Agreement, among others. The Third Supplement contains the specific terms of the Refunding Bonds. Certain provisions of the Trust Agreement, as supplemented by the Third Supplement, as to District budgeting requirements, special funds, District covenants, events of default and remedies, enforcement by mandamus, defeasance, nonpresentment of Obligations, supplemental trust agreements, Additional Obligations, annual reports and records, and the Trustee, are summarized below.

So long as the Refunding Bonds are immobilized in a book entry system with a securities depository, that depository or its nominee for all purposes of the Trust Agreement will be considered by the District and the Trustee to be the owner or holder of the Refunding Bonds, and (except as otherwise provided in the Continuing Disclosure Trust Agreement) the owners of book entry interests will not be considered owners or holders and have no rights as holders or owners under the Trust Agreement.

District Budgeting Requirements

In the Trust Agreement the District has covenanted that it will include in its budget for each Fiscal Year amounts at least sufficient to pay Debt Service Charges and satisfy other requirements with respect to the Obligations. The budgeted amounts from various sources of General Receipts must, in the aggregate, at all times be sufficient in amounts and times of collection to meet all payments required to be made into the Debt Service Fund in that Fiscal Year. Those budgets can and must be revised from time to time during a Fiscal Year to reflect any changes necessary to meet those requirements.

Funds and Accounts

Debt Service Fund. The Debt Service Fund is held by the Trustee and the moneys and investments in it are pledged to and are to be applied exclusively to the payment of Debt Service Charges. The Trust Agreement establishes the Debt Service Account, the Debt Service Reserve Account and the Bond Redemption and Purchase Account, as accounts of the Debt Service Fund, and permits other accounts to be established (none have to date been established) as special accounts in the Debt Service Fund as may be provided in any Supplemental Trust Agreement in connection with the issuance of Additional Obligations and in certain other circumstances.

Debt Service Account. The Debt Service Account is pledged to, and will be used solely for, the payment of Debt Service Charges as they fall due upon stated maturity or by operation of mandatory sinking fund redemption or other redemption. On or before the first day of each calendar month while the Refunding Bonds are outstanding, the District shall pay over to the Trustee from the General Receipts an amount equal to one-twelfth (1/12th) of the principal of the Refunding Bonds due on the next Principal Payment Date, it being the intention that the amount due on such Principal Payment Date is on deposit with the Trustee on or about two months prior to such Principal Payment Date. Interest earned and retained in such account may be applied as a credit to the last payment made prior to a Principal Payment Date.

On or before the first day of each calendar month while the Refunding Bonds are outstanding, the District shall pay over to the Trustee from the General Receipts an amount equal to one-sixth (1/6th) of the interest of the Refunding Bonds due on the next Interest Payment Date, it being the intention that the amount due on such Interest Payment Date is on deposit with the Trustee on or about two months prior to such Interest Payment Date. Interest earned and retained in such account may be applied as a credit to the last payment made prior to a Interest Payment Date.

Debt Service Reserve Account. The Debt Service Reserve Account is pledged to, and will be used solely for, the payment of Debt Service Charges on any series of Obligations for which such a reserve is established. A special subaccount within the Debt Service Reserve Account has been created which is to contain an amount initially equal to $286,000 and to maintain an amount at least equal to the Required Reserve, as defined in the Trust Agreement.

Facilities Fund. The Trust Agreement directs the Fiscal Officer of the District to establish a separate Facilities Fund, to be held and maintained as specified in a Supplemental Trust Agreement.

Separate accounts and subaccounts may be established within the Facilities Fund as the Issuer may determine. That Fund may be invested in Eligible Investments, as defined in the Trust Agreement.

Eligible Investments

Under the Trust Agreement, amounts in the Debt Service Account and in the Facilities Fund may be invested, to the extent lawful, in Eligible Investments. For purposes of the following "Eligible Investments" means, with respect to the Refunding Bonds,

(i) direct obligations of the United States of America or any obligations guaranteed as to principal and interest by the United States of America or any obligation for which the faith of the United States of America is pledged for the payment of principal and interest thereon;

(ii) obligations issued by any agency of the government of the United States of America, including, without limitation, the Government National Mortgage Association, or by any instrumentality of the government of the United States of America, including, without limitation, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation;

(iii) general obligations of any state of the United States, including the State, or any political subdivision of the State; provided that such general obligations carry one of the two highest ratings of either Moody's or S&P or, upon the discontinuance of either Moody's or S&P, any other nationally recognized rating service; provided further that the interest on such general obligations is excluded from gross income for federal income tax purposes;

(iv) certificates of deposit, whether negotiable or nonnegotiable, issued by a bank, trust company or savings association eligible for the deposit of interim deposits as provided in Section 135.08 of the Ohio Revised Code and organized under the laws of any state of the United States or any national banking association (including the Trustee), any of which institutions must have a combined capital and surplus of at least $100,000,000 in dollars of the United States of America, provided, that such certificates of deposit do not exceed in the aggregate ten percent (10%) of the combined capital, surplus and undivided profits of the institution issuing the same and provided further that such certificates of deposit shall be in the possession of the Trustee or its agents and shall be either (A) continuously and fully insured by the Federal Deposit Insurance Corporation, or (B) continuously and fully secured by such securities ("Pledged Securities") as are described in clauses (i) through (iii), inclusive, above which shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit, and that the bank, trust company, savings association or national banking association issuing each such certificate of deposit required to be so secured shall furnish the Trustee with an undertaking satisfactory to it that the aggregate market value of all such obligations securing each such certificate of deposit will at all times be an amount at least equal to the principal amount of each such certificate of deposit and that the Trustee shall be entitled to rely on each such undertaking;

(v) any repurchase agreement for a period not to exceed thirty days with any eligible institution described in clause (iv) above having capital and surplus of at least $100,000,000 in dollars of the United States of America and described in Section 135.03 of the Ohio Revised Code that is fully collateralized at all times by interest bearing "Pledged Securities" based upon the market value of such obligations; and

(vi) any money market fund invested solely in obligations described in clauses (i), (ii) and (iii);

provided that for the purposes of clause (iv) and (v) the respective Pledged Securities are to be in the possession of the Trustee or its agent and are to be free and clear of all liens or rights of any third party, and in which obligations the Trustee is to have a first perfected security interest.

The value of the above investments shall be determined as follows. For the purpose of determining the amount in any fund or account and unless otherwise provided in the applicable Supplemental Trust Agreement, all Eligible Investments credited to such fund or account shall be valued on a semi-annual basis (or more frequently as the District shall determine), at the lesser of face or market value.

District Covenants

In the Trust Agreement, the District covenants, among other things:

- To pay, or cause to be paid, the Debt Service Charges on each and all Obligations on the dates, at the places and in the manner provided in the Trust Agreement.

- To at all times, to the extent permitted by law, defend preserve and protect the pledge of the General Receipts under the Trust Agreement and all the rights of the Holders of the Obligations or any Financial Institution under the Trust Agreement against all claims and demand of all persons whomsoever.

- To faithfully observe and perform all agreements, covenants, undertakings, stipulations and provisions contained in the Trust Agreement and in every Obligation executed, authenticated and delivered under the Trust Agreement.

See also the discussion under “Security and Sources of Payment--Covenant as to Sufficiency of General Receipts”.

Events of Default and Remedies

So long as the Refunding Bonds are held under a book entry system with DTC (or any successor securities depository), that depository or its nominee is for all purposes of the Trust Agreement considered the owner or holder of the Refunding Bonds (except that in certain cases the Bond Insurer will be considered the owner), and the owners of book entry interests will not be considered owners or holders and have no rights as holders or owners under the Trust Agreement to receive notices relating to Events of Default, to enforce remedies or to take other steps to protect or enforce the rights of Bondholders.

Under the Trust Agreement, each of the following is an "Event of Default":

(a) Default in the payment of any interest on any Obligation when and as the same shall have become due and payable;

(b) Default in the payment of the principal of or any redemption premium on any Obligation when and as the same becomes due and payable, whether at stated maturity or by mandatory redemption or mandatory purchase;

(c) Failure to pay on any date Obligations may be tendered to the Issuer or the Trustee for purchase in accordance with the terms of the Trust Agreement, the amounts due to the Holder of any such Obligations tendered or deemed tendered to the Issuer or the Trustee pursuant to the Trust Agreement;

(d) Any other default, and the continuance thereof for a period of 60 days after written notice thereof to the Issuer given by the Trustee or the Holders of not less than 25 percent of the Aggregate Outstanding Amount.

The Trust Agreement does not require the furnishing of periodic evidence to the Trustee as to the absence of defaults or Events of Default under, or compliance with, the terms of the Trust Agreement. Waivers are authorized in connection with Events of Default.

In the case of an Event of Default in the payment of Debt Service Charges, the Trustee must take those appropriate actions and, in addition, may by notice in writing delivered to the District declare the principal of and interest (and any accreted amount) accrued on all then outstanding Obligations immediately due and payable. That declaration may be rescinded upon the payment or provision for payment of all amounts due.

If, at any time after principal and interest shall have been declared due and payable as described above, and prior to the entry of judgment in a court of law or equity for enforcement or the appointment of a receiver, all sums payable under the Trust Agreement, except the principal of and interest accruing after the next preceding interest payment date on the Obligations which have not reached their stated maturity dates and which are due and payable solely by reason of that declaration, plus interest (to the extent permitted by law) on any overdue installments of interest at the rate borne by the Obligations in respect of which the Event of Default occurred, shall have been duly paid or provided for and all existing defaults have been made good, then and in every such case that payment or provision for payment shall constitute a waiver of the Event of Default and its consequences and an automatic rescission and annulment of the declaration described above.

Unless otherwise provided by any Supplemental Trust Agreement, the holders of a majority in principal amount of Obligations then outstanding may, by writing delivered to the Trustee, with the consent of each Financial Institution not then in default on its obligations with respect to the Credit Support Instrument provided by it, direct the method and place of conducting any and all remedial proceedings under the Trust Agreement. The direction must be in accordance with the provisions of law and of the Trust Agreement, and the Trustee indemnified to its satisfaction.

Before taking remedial action the Trustee may require that a satisfactory indemnity bond be provided by the holders of the Obligation for the reimbursement of all expenses to which it may be put and to protect it against all liability (except liability adjudicated to result from its negligence or willful default by reason of any action so taken). The Trustee may act without this indemnity. In that case its expenses are reimbursable by the District.

Except as otherwise provided in the Trust Agreement or in the Continuing Disclosure Trust Agreement, the registered owners of the Obligations are not entitled to enforce the provisions of the Trust Agreement or to institute, appear in or defend any suit, action or proceeding to enforce any rights, remedies or covenants granted or contained in the Trust Agreement, or to take any action with respect to any Event of Default.

Enforcement by Mandamus

Pursuant to the Act and the Trust Agreement, the duties under the bond proceedings of the District and the Board and their members, officers and employees, are enforceable by mandamus.

Defeasance

If all Debt Service Charges due or to become due on the outstanding Obligations are paid or caused to be paid and provision is made for paying all other sums payable under the Trust Agreement by the District, then the Trust Agreement (with certain exceptions) shall cease, determine and become null and void, and the College's covenants, agreements and other obligations under it will be discharged and satisfied. Thereupon the Trustee is to assign and deliver to the District any funds at the time subject to the lien of the Trust Agreement which may then be in its possession except for funds for the payment of Debt Service Charges (subject to the provisions for unclaimed moneys described below).

Obligations will be deemed to have been paid or caused to be paid for the purpose of defeasance (and for the purpose of particular Obligations being refunded and no longer deemed outstanding under the Trust Agreement) if there is held in trust for and irrevocably committed to the purpose either or a combination of the following:

1. By the Trustee or any paying agents, moneys,

2. By the Trustee, Government Obligations (described above under **Eligible Investments)** certified by bond counsel or by an independent public accounting firm of national reputation to be of such maturities and interest payment dates and to bear such interest or other investment income as will, without further investment or reinvestment of either the principal or the investment earnings (likewise to be held in trust and committed, except as described below),

sufficient for the payment, at the maturity or redemption dates, of all applicable Debt Service Charges to the date of maturity (or redemption if the case), or if default in that payment has occurred on that date then to the date of the tender of payment. If any Obligations are to be redeemed prior to their maturity, notice of that redemption must have been given or provision satisfactory to the Trustee have been made for the giving of that notice.

Any moneys held in cash may be invested only in Government Obligations the maturities or redemption (at the holder's option) dates of which will coincide as nearly as practicable with, but will not be later than, the times at which those moneys will be required for the purposes.

Any income or interest earned by, or increment to, those investments, to the extent not required for the applicable purposes, will be transferred to the District.

The Trust Agreement authorizes partial defeasance as to any series of Obligations or as to certain of the Obligations of any series upon deposits described above. In addition, any Series Resolution may make separate or different provisions for defeasance of the Trust Agreement and the applicable Supplemental Trust Agreement as to some or all of the Obligations of that series; the Series 2006 Resolution does not do so.

Additional Obligations

Additional Obligations, as they may from time to time be authorized by series resolutions, are issuable on a parity with then outstanding Obligations, without limitation as to amount except as provided in the Trust Agreement or as may subsequently be provided by law. The District may provide for bond insurance or other Credit Support Instrument, or a reserve fund or account, with respect to any one or more Obligations or series of Obligations and not with respect to any other Obligations or series of Obligations.

Among other conditions for the issuance of Additional Obligations, the Trust Agreement requires that during the Fiscal Year immediately preceding the issuance of the Additional Obligations, the net General Receipts were equal to at least one and one-half times the maximum annual debt service required to be paid in any subsequent Fiscal Year on all Obligations to be outstanding or proposed to be issued upon delivery of the Additional Obligations.

For purposes of this computation, historic General Receipts and future debt service requirements are subject only to certain adjustments set forth in the Trust Agreement.

Among other conditions to be met for issuance of Additional Obligations are that the District is not in default, and as a result of the authentication and delivery of the Additional Obligations will not be in default, of any of its covenants or obligations under the Trust Agreement, such as maintenance of any Required Reserve, and that other requirements provided in the Trust Agreement (such as appropriate opinions by counsel concerning the validity of the Obligation proceedings) for issuance have been met.

Nonpresentment

If an Obligation is not presented for payment when due or an interest payment check is uncashed, and if moneys for the purpose of paying and sufficient to pay that amount have been made available to the Trustee, all liability of the District to the holder for the payment will cease and be completely discharged. The paying agent is to hold that money in trust, without liability for interest on it, for the benefit of the registered owner of that Obligation, who thereafter will be restricted exclusively to that money for any claim of whatever nature under the Trust Agreement or on or with respect to that Obligation. Upon request in writing by the District, moneys so held by a paying agent and remaining unclaimed for three years after the due date of that Obligation or that interest payment, will be paid to the District and thereafter the holder may look only to the District for payment and then only to the amounts so received by the District (without interest). Moneys so paid to the District will be credited to a special subaccount in the Debt Service Account. The District will keep a record of the amounts with respect to each series of Obligations so deposited in that special subaccount, and will credit resulting investment income to the general portion of the Debt Service Account.

Supplemental Trust Agreements

The Trustee and the District may without consent of or notice to any of the Holders enter into agreements supplemental to the Trust Agreement for any one or more of the following purposes to: (i) cure ambiguity, inconsistency or formal defect or omission in the Trust Agreement; (ii) grant or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that may be lawfully granted to or conferred upon the Holders or the Trustee; (iii) subject additional revenues or receipts to the lien and pledge of the Trust Agreement; (iv) add to the covenants and agreements of the District contained in the Trust Agreement other covenants and agreements thereafter to be observed for the protection of the Holders or Financial Institutions (to the extent not contrary to interest of Holders), or to surrender or limit any right, power or authority reserved to or conferred upon the District in the Trust Agreement, including the limitation of rights of redemption so that in certain instances Obligations of different series will be redeemed in some prescribed relationship to one another; (v) evidence any succession to the District and the assumption by the successor of the covenants and agreements of the District contained in the Trust Agreement; (vi) in connection with the issuance of Additional Obligations in accordance with the provisions of the Trust Agreement; (vii) permit certain coupon Obligations or a book entry system; (viii) permit the Trustee to comply with any obligations imposed upon it by law; (ix) specify further the duties and responsibilities of, and to define further the relationship among, the Trustee, the Registrar, any Remarketing Agents and any Authenticating Agents or Paying Agents; (x) achieve compliance of the Trust Agreement with any applicable federal securities or tax law; (x) evidence the appointment of a new Remarketing Agent; and (xi) permit any other amendment which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Holders.

Exclusive of supplemental trust agreements referred to above, the holders of not less than a majority in aggregate principal amount of the Obligations then outstanding must consent to and approve the execution by the District and the Trustee of any other supplemental trust agreements. However, no supplemental trust agreement shall permit, or be construed as permitting (i) without the consent of the Holder of each Obligation so affected, a change in the redemption provisions or an extension of the maturity of the principal amount of any Obligation or the rate of interest or redemption premium thereon, or a reduction in the amount or extension of the time of any payment by any mandatory sinking fund requirements or mandatory redemption requirements, or (ii) without the consent of the Holders of all of the Obligations then outstanding, (a) the creation of a privilege or priority of any Obligation or Obligations over any other Obligation or Obligations, or (b) a reduction in the aggregate outstanding amount required for consent to that supplemental trust agreement.

Annual Reports and Records

The District is to submit to the Trustee, within 180 days after the close of each Fiscal Year, a copy of an annual report for such Fiscal Year, accompanied by a report, opinion or certificate of certified public accountants or certified municipal accountants of the District, setting forth financial statements which present fairly the financial position of the District as of the end of the preceding Fiscal Year and the results of the operations and the changes in the financial position of the District for the Fiscal Year then ended, all in conformity with generally accepted accounting principles applied (except as noted in such report, opinion or certificate) on a basis consistent with the prior Fiscal Year. If such report, opinion or certificate of certified public accountants or certified municipal accountants is not then available, the District shall nevertheless file its financial statements with the Trustee within the time limit set forth above, and shall file such report, opinion or certificate with the Trustee as soon as possible after such report, opinion or certificate becomes available.

Trustee

The Trustee, U.S. Bank National Association, with its offices located in Cincinnati, Ohio, is a national banking association organized and existing under the laws of the United States, and is authorized to exercise corporate trust powers in Ohio.

The Trust Agreement contains provisions for the Trustee's removal by the Holders of not less than a majority in aggregate principal amount of Obligations then outstanding, or by the District. Notice of removal is to be mailed to each Financial Institution and Holder and to any other Registrars, Authenticating Agents, Tender Agents, Remarketing Agents and Paying Agents, and will take effect upon the appointment and qualification of a successor Trustee. No resignation or removal of the Trustee will be effective until a successor has been appointed and has accepted the duties of Trustee.

LEGAL MATTERS

Legal matters incident to the issuance of the Refunding Bonds and the exclusion from gross income for purposes of federal income taxation of the interest thereon (see “Tax Matters”) are subject to the legal opinion of Peck, Shaffer & Williams, A division of Dinsmore & Shohl LLP. The legal opinion, dated and premised on law in effect as of the date of original delivery of the Refunding Bonds, will be delivered to the Underwriter at the time of original delivery and the text of the opinion will be attached to or printed on the Refunding Bonds.

The proposed text of Bond Counsel's legal opinion is set forth as Appendix C. The legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery.

TAX MATTERS

In the opinion of Bond Counsel for the Refunding Bonds, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming continued compliance of the District with certain covenants designed to meet the requirements of Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Refunding Bonds will be excludible from gross income for federal income tax purposes. Bond Counsel is also of the opinion that interest on the Refunding Bonds will not be a specific item of tax preference under Section 57 of the Code for purposes of the federal individual or corporate alternative minimum taxes. Furthermore, Bond Counsel is of the opinion that interest on the Refunding Bonds is exempt from taxes levied by the State of Ohio and its subdivisions, including the Ohio personal income tax, and is excludible from the net income base used in calculating the Ohio corporate franchise tax.

The Refunding Bonds are "qualified tax-exempt obligations" under Section 265 of the Code.

A copy of the opinion of Bond Counsel is set forth in Appendix C, attached hereto.

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

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

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

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

Original Issue Premium

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

Holders of any Premium Bonds, both original purchasers and any subsequent purchasers, should consult their own tax advisors as to the actual effect of such Acquisition Premium with respect to their own tax situation and as to the treatment of the Acquisition Premium for state tax purposes.

LITIGATION

To the knowledge of appropriate District and College officials, there is no litigation or administrative action or proceeding pending to restrain or enjoin, or seeking to restrain or enjoin, the issuance and delivery of the Refunding Bonds, or to contest or question the proceedings and authority under which the Refunding Bonds are authorized and are to be issued, sold, executed or delivered, or the validity of the Refunding Bonds. A no-litigation certificate to that effect will be delivered by the District at the time of original delivery of the Refunding Bonds.

The District is a party to various legal proceedings seeking damages or injunctive relief and generally incidental to its operations but unrelated to the Refunding Bonds. The ultimate disposition of those proceedings is not presently determinable, but will not, in the opinion of the appropriate District officials, have a material adverse effect on the Refunding Bonds or the security for the Refunding Bonds.

RATING

The Refunding Bonds have been rated “Aa2” by Moody’s Investors Service, Inc. (“Moody’s”) with the understanding that upon delivery of the Refunding Bonds the District, the Trustee and the Chancellor will have entered into an agreement securing the Refunding Bonds under the State Credit Enhancement Program. See “SECURITY AND SOURCES OF PAYMENT – Ohio Community and Technical College Credit Enhancement Program.”

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

The District expects to furnish the rating services with information and materials that may be requested. However, the District 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 Refunding Bonds.

TRANSCRIPT AND CLOSING DOCUMENTS

A complete transcript of proceedings and a certificate (described under “Litigation”) relating to litigation will be delivered by the District when the Refunding Bonds are delivered by the District to the Underwriter. The District at that time will also provide to the Underwriter a certificate, signed by the District officials who sign this Official Statement and addressed to the Underwriter, relating to the accuracy and completeness of the Official Statement and to its being a "final official statement" in the judgment of the District for purposes of SEC Rule 15c2-12(b)(3).

CONTINUING DISCLOSURE AGREEMENT

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

> (i) to the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System ("EMMA"), certain annual financial information and operating data, including financial statements, generally consistent with the information contained in the audited financial statements of the District ("annual financial information"); such information shall be provided on or before March 15 of each year for the fiscal year ending on the preceding June 30, commencing March 15, 2015.
>
> (ii) to EMMA, in a timely manner, not in excess of ten business days after the occurrence of the event, notice of the occurrence of the following events with respect to the Refunding Bonds:

(a) Principal and interest payment delinquencies;
(b) Non-payment related defaults, if material;
(c) Unscheduled draws on debt service reserves reflecting financial difficulties;
(d) Unscheduled draws on credit enhancements reflecting financial difficulties;
(e) Substitution of credit or liquidity providers, or their failure to perform;
(f) Adverse tax opinions or events affecting the tax-exempt status of the security;
(g) Modifications to rights of security holders, if material;
(h) Bond calls, if material, and tender offers (except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);
(i) Defeasances;
(j) Release, substitution or sale of property securing repayment of the securities, if material;
(k) Rating changes;
(l) Failure to file continuing disclosure by deadline;
(m) Bankruptcy, insolvency, receivership or similar event of the obligated person;
(n) The consummation of a merger, consolidation, or acquisition involving an obligated person, or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
(o) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

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

(a) there is no property securing the repayment of the Refunding Bonds.

Continuing Disclosure Compliance

Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission, requires continuing disclosure with respect to new offerings of municipal securities of $1,000,000 or more. The Issuer is currently obligated to provide its audited financial statements to the Ohio Municipal Advisory Council with respect to one or more previously issued and currently outstanding bond or note issues. The District has not been consistent in making timely filings for the past five years, but is currently up-to-date with its filings. Specifically, the District was late in filing its audited financial statements for Fiscal Years ended 2009, 2010, 2012, and 2013. The District's latest disclosure was filed in June 2014 for fiscal year ending June 30, 2013. The District intends to make timely filings going forward.

UNDERWRITING

Fifth Third Securities, Inc. (the Underwriter), has agreed to purchase the Refunding Bonds, subject to certain conditions precedent, at a purchase price of $2,937,395.75 (principal amount of bonds plus net issue premium of $102,395.75 and less underwriter's discount of $25,000). The Underwriter may offer the Refunding Bonds to certain dealers (including dealers depositing the Refunding Bonds into unit investment trusts, certain of which may be sponsored or managed by an Underwriter) and others at a price lower than that offered to the public. The initial public offering prices may be changed from time to time by the Underwriter.

ELIGIBILITY FOR INVESTMENT AND AS PUBLIC MONEYS SECURITY

To the extent that the matter as to the particular investor is governed by Ohio law, and subject to any applicable limitations under other provisions of Ohio law, the Refunding Bonds are lawful investments for banks, societies for savings, savings and loan associations, deposit guarantee associations, trust companies, trustees, fiduciaries, insurance companies (including domestic life and domestic not for life), trustees or other officers having charge of sinking and bond retirement or other special finds of political subdivisions and taxing districts of the State, the Commissioners of the Sinking Fund, the Administrator of Workers' Compensation, and the State retirement systems (Teachers, Public Employees, Public School Employees, and Police and Firemen's), notwithstanding any other provisions of the Revised Code with respect to investments by them.

The Act provides that the Refunding Bonds are acceptable under Ohio law as security for the deposit of public moneys.

Owners of book entry interests in the Refunding Bonds should make their own determination as to such matters as legality of investment in or pledgeability of book entry interests.

VERIFICATION REPORT

The arithmetical accuracy of the mathematical computations supporting the conclusion that the maturing principal amounts of, and interest earned on, the direct noncallable obligations of the United States of America are sufficient to pay the principal of and premium and interest on the Refunded Bonds upon redemption, and the arithmetical accuracy of the mathematical computations supporting the conclusion that such use of the proceeds of the Refunding Bonds will not cause the Refunding Bonds to be "arbitrage bonds" under Sections 103(b)(2) and 148 of the Internal Revenue Code, will be verified by Causey, Demgen & Moore as a condition to the delivery of the Refunding Bonds. Causey, Demgen & Moore will express no opinion on the data used, reasonableness of the assumptions or the achievability of the projected outcome.

CONCLUDING STATEMENT

Quotations in this Official Statement from, and summaries and explanations of, the provisions of the Ohio Constitution, the Revised Code and other laws, and the Trust Agreement, do not purport to be complete, and reference is made to the pertinent provisions of the Constitution, Revised Code and other laws and those documents for all complete statements of their provisions. Those documents are available for review at the District during regular business hours at the office of the Vice President for Administrative Services. During the initial offering period, copies of those documents will also be available for review at the main office of the Underwriter.

To the extent that any statements in this Official Statement involve matters of estimate or opinion, 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 District from official and other sources and is believed by the District to be reliable, but information other than that obtained from official records of the District has not been independently confirmed or verified by the District and its accuracy is not guaranteed.

This Official Statement is not to be construed as or as part of a contract or agreement with the original purchasers or Holders of the Refunding Bonds.

This Official Statement has been prepared, approved and delivered by the District, for and on its behalf and in their official capacities, by the officers indicated below.

EDISON STATE COMMUNITY COLLEGE DISTRICT

By: *\/s/ Karen Rafinski*
Title: Interim President

By: */s/ John Shishoff*
Title: Vice President of Administration and Finance

Dated: August 20, 2014

4012852.02

APPENDIX A

THE DISTRICT AND THE COLLEGE

General

Edison State Community College (the "College") was chartered in 1973 under provisions of the Ohio Revised Code as the first general and technical college in Ohio. The College thus emerged without special local taxation as a two-year, public, co-educational, state-supported institution of higher learning. Under its charter it is authorized to offer studies in the arts and sciences, technical education and continuing education. By virtue of legislative action, the College's name was changed in 1977 from Edison State General and Technical College to Edison State Community College.

From modest beginnings in 1973 in a rented facility, the College has grown in stages to its current campus, located on 108 acres in Piqua, Ohio. It also offers courses from its Darke County Center in Greenville, Ohio. The College delivers course content through traditional lecture courses as well as online courses and a combination of the two. Edison's enrollment and offerings have grown steadily from 309 students enrolled in 30 courses in 1973 to nearly 5,000 unduplicated students enrolled today in 30 technical fields, a broad range of baccalaureate transfer programs, developmental course work, continuing education offerings and Adult Basic and Literacy Program College Readiness courses. Degrees are granted in five degree areas—Associate of Arts, Associate of Science, Associate of Applied Business, Associate of Applied Science, Associate of Technical Study, and numerous certificate options. Edison also offers a variety of non-credit courses and workforce training through its Business and Industry Center. In addition, Edison is partnered with three baccalaureate granting institutions to offer Bachelor's and Master's degree programs on the Edison campus.

The College serves a diverse group of students. It is an open admissions institution, welcoming a student population ranging from early-admit to senior citizens, and from people just becoming acquainted with the possibilities of higher education to those returning for retraining and/or exploration of new fields. A rapidly growing student segment is in the area of post-secondary option students (PSEOP). These students are enrolled in college-level course work that may also address requirements for a high school diploma while earning college-level credit.

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Governance and Administration

BOARD OF TRUSTEES

The College is governed by a nine member Board of Trustees, appointed by the Governor of Ohio for six-year terms. There are three board members each from Darke, Miami, and Shelby Counties. The current members of the Board, with the years in which their respective terms expire, are:

Name	County	Occupation	Year Term Expires
Marvella Fletcher	Darke	Retired CFO	2019
Kathleen Floyd	Darke	Retired Educator	2015
Christopher Grove	Miami	Surgeon, MD, F.A.C.S.	2019
Roger Luring	Miami	Attorney at Law, Miller, Luring, Farley & Venters	2015
Robinson Joslin	Shelby	Owner, W.R. Joslin & Son, Inc.	2019
Darryl Mehaffie (Vice Chairman)	Darke	Retired Educator	2017
Thomas Milligan	Shelby	Owner/CEO – Miami River Stone Company	2017
James Thompson (Chairman)	Shelby	Investigator; Elsass, Wallace, Evans Schnelle & Co. LPA	2015
Tony Wendeln	Miami	CPA, CEO, Muray, Wells, Wendeln & Robinson CPAs, Inc.	2017

The administrative direction of the District has been delegated by the Board of Trustees to the President and administrative staff. The administrative staff is appointed by the President subject to Board approval.

ADMINISTRATIVE OFFICERS

The current administrative officers are:

Name	Office
Dr. Karen Rafinski	Interim President
Dr. Patti Ross	Senior Vice President of Academic Affairs
Scott Burnam	Vice President of Student Affairs
David Gansz	Vice President of Information Technology
Kim Horton	Vice President of Institutional Advancement
Linda Peltier	Vice President of Strategic Human Resources
John Shishoff	Vice President of Administration and Finance

Dr. Karen Rafinski recently was appointed as the Interim President of Edison Community College while the Board of Trustees works to hire a replacement for outgoing President Dr. Cristobal Valdez, who left Edison to assume the Presidency at Central Wyoming College. Dr. Rafinski most recently served as the interim president of the Ohio Association of Community Colleges upon her retirement as the President of Clark State Community College for 16 years. Dr. Rafinski brings 41 years of experience to Edison, 26 of those years in presidencies in Ohio and Minnesota state colleges and universities. Dr. Rafinski holds a bachelor's degree from Minnesota State University at Moorhead, a master's degree from the University of Washington, Seattle, a Ph.D. from the University of Minnesota in Minneapolis, and an MPA from Harvard University.

Dr. Pattie Ross started teaching as an adjunct in 1986, became a full-time Computer Information Technology (CIT) faculty member in 1993 and started the CIT internship program in 1995. While serving as a faculty member, she was a finalist for Teacher of the Year, Ohio Association of Two-Year Colleges (OATYC), and was chosen as one of the top 15 IT faculty for the Faculty Technology Award given by the American Association of Community Colleges (AACC), 2001. In 2002 Patti became Dean for IT and engineering and in 2014 was appointed Senior Vice President for Academic Affairs. Patti earned her Bachelor of Science degree from Bowling Green State University, Bowling Green, Ohio, her Master of Science degree from the University of Dayton, Dayton, Ohio and participated in the Leadership in Higher Education Ph.D. program at Ohio University.

Scott Burnam has 20 years of experience as a community college practitioner, having worked in campus security, financial aid, academic services, and residence life during the early part of his career. Scott joined Edison Community College in September of 2009 as Registrar, and has since served as Dean of Enrollment Services, and now as Vice President of Student Affairs. Scott earned an MA in Community College Management from Antioch University Midwest and a BS in Theatre from the State University of New York at Plattsburgh. Scott received the SUNY Chancellor's Award for Excellence in Professional service in 2004 and the Edison Community College Performance Improvement Award in 2011.

David Gansz has been at Edison since 2005. Educated at Oxford and Canterbury Universities in England, and Bard College and the University of Michigan in the United States, he earned degrees in a variety of subject areas, including a Master of Library and Information Studies. He has held senior administrative positions at a University, a College, a Public Library, and an Electronic Database manufacturer. His numerous scholarly publications are represented in books, anthologies, and encyclopedias.

Kim Horton assumed the position of Vice President of Institutional Advancement in 2013**.** In this capacity, Kim also serves as the Executive Director of the Edison Foundation where she leads a team that supports the mission of the foundation and works with its volunteers to advance the mission of the college. Kim is a Certified Fundraising Executive (CFRE). She earned her Bachelors and Masters Degrees from Antioch University and has 12 years of experience in higher education fundraising and administration.

Linda Peltier has 20 years of higher education experience since beginning her career at Edison in 1994. She has served as the Chief Human Resources Officer since 2006, providing senior level strategic and operational leadership in all human resources activities. Linda earned an Associates of Applied Business degree from Edison Community College, a Bachelor's in Business Administration from Franklin University through the Community College Alliance Program, and an MBA with a concentration on Strategic Human Resources from Franklin University.

John Shishoff, CPA, CGFM**,** has more than 30 years of collaborative financial and operational management experience in university, government and private sector leadership positions. This includes responsibility for college and university operations with budgets of $15 million to $126 million; as well as planning, programming and budget responsibilities for government operations with budgets of as much as $6.2 billion. John served as a member of the faculty at several universities and held administrative positions responsible for student recruiting, advising, administration and retention at the undergraduate and graduate levels. He has a BS and MS from the University of Virginia and is ABD at The Pennsylvania State University. John assumed his current position after retiring as the Director, Undergraduate Programs in the University of Dayton's School of Business Administration.

Academic Programs, Accreditations, and Articulation

The College offers 52 associate degree programs with options and 29 one-year technical certificates awarded as Associate of Arts, Associate of Science, Associate of Applied Business or Associate of Applied Science in the following areas:

Accounting

Associate of Applied Business

Accounting AAB

Associate of Science

Accounting AS Degree

Certificate

Accounting Certificate

Fast Track

Accounting Clerk Fast Track

Tax Consultant Fast Track

Associate of Arts

Associate of Arts

Associate of Science

Associate of Science

Biology

Associate of Science

Biology AS

Business

Associate of Applied Business

Business AAB Marketing Option

Business Management AAB Business Management Option

Business Management Aab Entrepreneurship Option

Business Management AAB General Business Option

Business Management AAB Human Resource Management Option

Associate of Science

Business AS Degree

Certificate

Business Management - Marketing Certificate

Business Management Certificate

Business Management General Business Certificate

Entrepreneurship Certificate

Human Resource Management Certificate

Real Estate Certificate

Fast Track

Human Resource Management Fast Track
Management Fast Track
Real Estate Fast Track

Computer Information Technology

Associate of Applied Business

Games Programming AAB
Network and Computer Security AAB
Network Comp Management AAB
Systems Administrator AAB
Computer Information AAB in Programming
Computer Information Technology AAB Business Systems Opt

Certificate

CIT Network Computer Management Certificate
Computer Information Tech Certificate
Computer Information Tech Certificate Business Systems
Computer Information Tech Certificate Computer Languages
Computer Information Tech Database Specialist Certificate
Systems Administrator Certificate

Fast Track

.net Programming Fast Track
Basic Computer Skills Fast Track
Cisco Certified Network Associate Fast Track
Computer Maintenance Fast Track
Database Specialist Fast Track
Help Desk Fast Track
Microsoft Certified Systems Engineer Fast Track
Mobile Application Development Fast Track
Networking Fast Track
Office Automation Fast Track
Programming Fast Track

Communications

Associate of Arts

Communications AA Degree

Criminal Justice

Associate of Applied Science

Criminal Justice AAS Degree
Computer Forensics AAS

Fast Track

Fast Track in Criminal Justice

Early Childhood Education

Associate of Applied Science

Early Childhood Education Aas

Fast Track

Child Development Associate Credential (cda)

Economics

Associate of Science

Economics AS Degree

Education

Associate of Arts

Education Associate of Arts

Associate of Science

Education Associate of Science

Electrical Engineering Technology

Associate of Applied Science

Automation and Robotics AAS

Electronics AAS

Electro-Mechanical Option

Certificate

Automation and Robotocs Certificate

Electro Mechanical Certificate

Electronics Networking Certificate

Renewable Energy Technology Certificate

Fast Track

Basic Electricity/Electronics Fast Track

Electrical Networking Fast Track

Factory Automation Fast Track

Industrial Electrical Controls Fast Track

Print Reading and Controls fast Track

English

Associate of Arts

English AA

Equipment Maintenance Technology

Associate of Applied Science

Equipment Maintenance Tech. Industrial Equipment

Equipment Maintenance Tech. Industrial Equipment Supervision

Fine Arts

Associate of Arts

Fine Arts AA

Theatre Performance AA

Fast Track

Film Photography Fast Track

Geology

Associate of Science

Geology/Earth Science AS Degree

Heating, Ventilation, Air Conditioning & Refrigeration

Certificate

HVAC & Refrigeration Cert

History

Associate of Arts

History AA

Industrial Management

Associate of Applied Science

IMT Industrial Operations AAS

Imt Operations Technology Aas

Certificate

Operations Technology Certificate

Supply Chain Management Certificate

Fast Track

Basic Human Relations Skills Fast Track

Lean Manufacturing Fast Track

Quality Management Fast Track

Six Sigma Fast Track

Supply Chain Management Fast Track

Mathematics

Associate of Science

Mathematics AS Degree

Mechanical Engineering Technology

Associate of Applied Science

Mechanical Engineering AAS

Mechanical Engineering AAS Advanced Manufacturing

Mechanical Engineering Tech AAS Mechanical Design

Certificate

Mechanical Engineering Tech Cert in Advanced Manu Sys
MET Certificate in CAD/CAE

Fast Track

Advanced Manufacturing Fast Track
CNC Programming Fast Track
Computer-Aided Design
Manufacturing Management Fast Track

Medical Assistant

ATS

Ats in Allied Health - Medical Assisting

Certificate

Medical Assistant Certificate

Medical Laboratory Technician

Associate of Applied Science

Medical Laboratory Technician AAS

Nursing

Associate of Applied Science

Nursing AAS LPN Transition
Nursing AAS Registered

Office Systems and Administration

Associate of Applied Business

Office Systems Administration AAB Administrative Asst
Office Systems Administration AAB Medical Office Support

Certificate

Office Systems Adm Certificate Medical Office Support
OSA Administrative Assistant Certificate
OSA Medical Coder Certificate
OSA Office Documentation Specialist Certificate

Fast Track

Medical Biller Fast Track
Medical Coder Fast Track
Medical Secretary
Medical Transcription Fast Track

Paralegal Studies

Associate of Applied Business

Paralegal Studies AAB

Certificate
Paralegal Post Baccalaureate Certificate

Philosophy
Associate of Arts
Philosopyy AA

Phlebotomy
Certificate
Phlebotomy Certificate

Physical Therapy Assistant
Associate of Applied Science
Physical Therapist Assistant AAS Degree

Psychology
Associate of Arts
Psychology AA

Social Services
Associate of Applied Science
Social Services AAS

Telecommunications
Associate of Arts
Telecommunications AA Degree

Accreditation

By virtue of its charter, Edison State Community College holds recognition by the Ohio Board of Regents of the highest order attainable among institutions in the State of Ohio. In addition, the Regents have reviewed and approved the courses and programs of the College. This approval signifies that Edison's courses meet prescribed standards of quality and uniformity for maximum transferability among institutions of higher education throughout Ohio.

The College is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools (NCA-Regional).

Institutional Memberships

The College is an institutional member of the American Association of Community Colleges, the Ohio Association of Community Colleges, the North Central Association of Colleges and Schools, the American Council on Education, the Association of Community College Trustees, the American Technical Education Association, the Southwestern Ohio Council for Higher Education, the National League for Nursing, the American Library Association, the Community College Consortium, OhioLINK, National Alliance for Community and Technical Colleges, EduCAUSE, The League for Innovation, Ohio Two-Year College Technology Council, and American Association for Paralegal Education.

Institutional Transfer

The Ohio Board of Regents, following the directive of the Ohio General Assembly, has developed a statewide policy to facilitate movement of students and transfer credits from one Ohio public college or university to another. The purpose of the state policy is to avoid duplication of course requirements and to enhance student mobility throughout Ohio's higher education system. The Ohio Board of Regent's Transfer and Articulation Policy established the Transfer Module, which is a specific part of the entire set of a college or university's general education requirements. The Transfer Module contains 54-60 quarter hours or 36-40 semester hours of specified course credits in English composition, mathematics, arts and humanities, social science, natural science, and interdisciplinary course work.

A transfer module completed at one college or university will automatically meet the requirements of the transfer module at the receiving institution, once the student is accepted. Students may be required, however, to meet some additional general education requirements that are not included in the Transfer Module. In addition to the Transfer Module for general education, Transfer Assurance Guides have been developed for courses in the various disciplines such as business, engineering, education, and health. These guides assure the transferability of three to four courses beyond those in the Transfer Module. In addition, Edison has established articulation agreements with other colleges and universities to provide baccalaureate completion programs for students completing applied science or applied business degrees. In addition, Edison has established articulation agreements with numerous public and private universities.

Edison State Community College has developed partnerships that enable students to complete Bachelor's and Master's degrees at the main campus in Piqua or by online programs.

- Bluffton University provides both Bachelor's and Master's degrees in Organizational Management, Bachelor's degrees in Social Work and Health Care Management, and a Master of Business Administration degree (at Edison).
- Bowling Green State University offers Bachelor's degrees in Technology and Advanced Technological Education. (Online).
- Franklin University provides 30 four-year degrees and a Master's in Business Administration through Edison (Online).
- Miami University offers three Engineering Technology (Electronics, Manufacturing, and Mechanical) Bachelor's degrees (at Edison, with capstone presentations at Miami).
- Ohio University offers six Bachelor's degrees through Edison (Online).
- Urbana University offers four Bachelor's degrees (at Edison and Online).
- Western Governors University offers 27 Bachelor's degrees through Edison (online).
- Wright State University is associated with Edison, offering a Bachelor's degree in Organizational Leadership.

In addition to university partnerships, Edison has 2+2 articulation agreements with area Career Centers for programs in business, information technology, engineering technology, and health sciences that provide college credit for work completed as part of the secondary program.

Edison has also developed partnerships with area business and industry to provide credit and non-credit training both on-site and at the College. Some examples of these partnerships include:

- On-site associate of applied science in engineering technology for Master Industries, a specialized plastics manufacturing firm,
- A partnership to offer high-level non-credit training on 3-D design software for area engineers with SolidWorks and Parametric Technologies Corporation, both software companies,
- A partnership with Honda Corporation, a manufacturer of automobiles, for employee training and supplier training,
- A partnership with Emerson Climate Technologies, a manufacturer of compressors, for employee training,
- A partnership with Bobcat Corporation, a manufacturer of skid-steer loaders and other types of mobile equipment, to provide service technician and sales training for dealerships in the Midwest and Eastern part of the country and parts training for all dealerships.

Faculty and Employees

At the beginning of the Fall 2013 Semester, Edison State Community College had 330 employees, excluding student workers. The staff distribution is as follows:

Faculty	
Full-Time Faculty	55
Part-Time Faculty	149
Total Faculty	204
Support Staff (Administrative and Classified Full and Part Time)	126
Total Staff	330

The College's total payroll in Fiscal Year 2013 was $11,784,711, which consisted of $9,101,527 in wages and $2,683,184 in employee benefits.

Members of the faculty are active in the College, Academic Senate, Community programs, and the publication of professional articles and textbooks. 13% of full-time faculty hold doctorates.

Edison's full-time faculty have a collective bargaining unit – the Edison State Education Association which is an affiliate of the Ohio Education Association. "ALL CAMPUS MEETINGS" are held monthly for all employees of the College. No other employee group has elected a bargaining unit.

Enrollment

Edison attracts students of all ages and backgrounds, primarily from its three-county service area. Service area residents represent 85.6% of Fall 2013 headcount enrollment. Ohio residents from outside the service area represent 14.0% while 0.4% are not Ohio residents.

Edison's credit course headcount enrollment (full-time and part-time students) as well as full-time equivalent (FTE) enrollment for recent years and the current academic year are shown below:

Academic	Annualized Credit Enrollments		Fall Term Credit Enrollment	
Year	Annual FTE[a]	Annual Headcount[b]	FTE[c]	Headcounts[b]
2004-05	1,947	4,425	1,827	3,150
2005-06	1,943	4,422	1,769	3,095
2006-07	1,897	4,454	1,751	3,085
2007-08	1,895	4,303	1,727	3,079
2008-09	2,136	4,758	1,841	3,251
2009-10	2,357	4,908	2,007	3,357
2010-11	2,421	5,049	2,141	3,558
2011-12	2,247	4,663	2,065	3,459
2012-13	2,004	4,195	1,836	3,127
2013-14	1,844 (est.)	3,875	1,706	2,946

[a] Total annual credit hours divided by 15, then divided by the number of academic terms per year.

[b] Represents unduplicated headcount

[c] Total Fall term hours divided by 15

32% of those enrolled in Fall 2013 were full-time (12 or more credit hours) and 68% were enrolled on a part-time basis.

Student Fees and Charges

Payment in full of all fees is required to be made prior to official enrollment in any class of instruction. Student fees and charges for one semester may be paid with four equal payments. There is a $20 application fee for the deferred payment plan and no interest is charged.

The College charges a combined tuition and fee amount per semester. Separate categories of charges, mandated by law, apply to Ohio residents and out-of-state residents.

Academic Year:	2009-10	2010-11	2011-12	2012-13	2013-14
Tuition & Fees Per Credit Hour					
Ohio Resident	$119.00	$123.00	$127.33	$135.00	$137.29
Non-Ohio Resident	222.00	230.00	234.33	248.68	254.28
Annualized Tuition & Fees[(1)]					
Ohio Resident	$3,570.00	$3,690.00	$3,819.00	$4,048.80	$4,148.70
Non-Ohio Resident	6,660.00	6,900.00	7,029.00	7,458.60	7,658.40

[(1)]*Based on 15 credit hours/semester, two semesters/year*

Comparative Costs

Based on the Fall 2014 academic term at Ohio, according to the Board of Regents Fall 2014 Survey of Student Charges report, public institutions of higher education, the range of total annualized instruction and general fees for full-time, undergraduate, Ohio-resident students were:

Type of Institution	Lower Bound of Range	Upper Bound of Range
Main Campuses of Universities	$6,058/year	$13,748/year
Regional Campuses of Universities	4,778/year	7,868/year
State Community Colleges	3,978/year	4,620/year
Local Community Colleges (for residents of those districts)	2,872/year	3,984/year

ANNUALIZED FULL-TIME FEES, COMMUNITY COLLEGES

		Academic Year 2013-2014*	
College	**In-District**	**Out-of-District**	**Out-of-State**
Cincinnati	$4,618	$4,618	$8,978
Clark	4,095	4,095	7,635
Columbus	3,978	3,978	8,810
Cuyahoga	3,156	3,972	7,488
Eastern Gateway	3,240	3,420	4,260
Edison	4,119	4,119	7,660
Lakeland	3,216	4,065	8,906
Lorain	2,977	3,558	7,059
Northwest	4,620	4,620	9,060
Owens	4,209	4,209	7,963
Rio Grande	3,984	4,584	N/A
Sinclair	2,872	4,290	8,234
Southern	4,132	4,132	7,752
Terra	4,364	4,364	4,530
Washington	4,390	4,390	8,470

**The other fees reported in the Fall Survey include mandatory fees assessed uniformly to all students which meet each of the following criteria: they are in fact mandatory, not included in the general fee, and are charged each term. The latter may include facility fees, technology fees, parking fees, or other mandatory fees.*

1. Columbus State Community College approved a mid-year tuition increase for Summer Term 2013. The in-state per credit changed to $129.25 and annual total to $3,878. The Board also approved an increase of the maximum $100 for AU13-SU14 in May 2013 to the values in the tuition survey based on the SU13 adjustment.

2. Cuyahoga charges a $60 institutional fee to all full-time students registered for 12 or more credit hours per term. Since the technology fee is paid by all full-time students, it appears in the Regent's annual survey as a general fee, however, is not uniformly assessed to all students and therefore not subject to the legislative mandate restricting (instructional and general) fee increases at Ohio's public colleges and universities.

3. Edison State Community College is in the process of finalizing their tuition numbers at this time. This number represents the final expected tuition data.

4. Northwest State Community College has submitted and received approval to discount the Instruction Fee from $148.00 to $140.00 per credit hour. This reduces the full-time instructional fee per semester from $2,220 to $2,100; the fee per credit hour past full-time from $154.00 to $146.00; and the estimated annual full-time fee from $4,620 to $4,380.

5. Rio Grande Community College does not accept out-of-state students. Out-of-state students may be admitted to the University of Rio Grande, a private institution with which the community college is affiliated. In addition, Rio Grande charges a $225 technology fee to all full-time students registered for 6 or more credit hours per term. Since the technology fee is paid by all full-time students, it appears in the Regent's annual survey as a general fee, however, is not uniformly assessed to all students and therefore not subject to the legislative mandate restricting (instructional and general) fee increases at Ohio's public colleges and universities.

6. Sinclair Community College approved a mid-year fee increase Winter Term 2012. Effective January 2012, the in-district instructional fee = $737 per term; general fee = $143 per term; out-of-district = $473 per term and the out-of-state surcharge = $1,635.

7. Washington State charges a $75 Campus Access & Safety fee to all full-time students registered for 12 or more credit hours per term. Since the technology fee is paid by all full-time students, it appears in the Regent's annual survey as a general fee, however, is not uniformly assessed to all students and therefore not subject to the legislative mandate restricting (instructional and general) fee increases at Ohio's public colleges and universities.

Student Financial Aid

Approximately 62% of the College's undergraduate students received some form of federal or state financial aid in the 2013-2014 academic year. The primary sources of aid included Pell Grants, Guaranteed Student Loans, Ohio Instructional Grants, and Edison State Community College scholarships.

The following table summarizes the amounts of financial aid provided to the College's students for recent fiscal years. All programs assisted by the federal and state governments are subject to appropriation and funding by those governments.

Financial Aid Year	2011-12	2012-13	2013-14
Scholarships & Grants			
College	$ 415,899	$ 356,577	$ 368,226
State Funds	43,700	15,072	24,550
Pell Grants	6,028,691	5,082,181	4,796,318
Other Funds	55,828	61,650	63,225
Total S&G	$ 6,544,118	$ 5,515,480	$ 5,252,319
Loans:			
Federal Guarantees Student Loans	$ 8,115,334	$ 7,690,204	$ 7,513,489
Parent Loans	16,322	9,867	7,800
Total Loans	$ 8,131,656	$ 7,700,071	$ 7,521,289
Student Employment			
Federal College Work Study	$ 83,752	$ 84,883	$ 92,200
College Student Payroll	97,371	74,015	68,509
Total Student Employment	$ 181,123	$ 158,898	$ 160,709
Total Financial Assistance	$14,856,897	$13,374,449	$12,934,317

Physical Plant

The Edison State Community College campus features eight buildings situated on approximately 108 acres of land. The College has nearly 240,107 square feet of space valued at $60,000,000.

Edison was established in 1973 and began operations in rented facilities that year. The main campus is comprised of five interconnected buildings that were constructed in 1975, 1977, 1988, 1994 and 2007. There are 73 classrooms and laboratories, including an increasing number of computer-equipped labs used for teaching not only technical computer and networking skills, but also English composition, mathematics, art, accounting, and more. Every classroom and lab features "smart" accommodations which include a faculty computer workstation, video projection and sound system, and Internet access.

The main campus facilities include a full-feature bookstore, library, learning (tutoring) laboratory, Internet café, cafeteria, gymnasium, weight and exercise rooms, and various formal and informal meeting rooms. Study, quiet and snack lounges are located throughout the campus. There are four administrative suites and two faculty lounges distributed variously within the facilities.

The Edison Library is available both to students and the general public. The library offers a collection of more than 28,000 volumes, subscribes to more than 50 current serial or periodical titles, and maintains a broad array of audiovisual and related materials selected to support the College's instructional programming. Additionally, the Edison Library is a member of the statewide OhioLINK consortium which provides services to 80+ institutions of higher education, allowing Edison students at the Piqua and Darke County Campuses access to nearly 50 million library-based items and more than 100 electronic research databases containing billions of articles.

The College's three stand-alone buildings are situated east of the main buildings and provide space for maintenance vehicles, vehicle repair, general storage and activities (police training, drama rehearsal and storage, etc.). The general storage facility includes restrooms. The College's athletic fields are adjacent to the storage and maintenance facilities.

The main campus has six lighted parking lots, two of which are currently being expanded. Currently, the six lots provide parking for more 1,219 vehicles. The expansion will provide 135 more parking spaces. The College is conveniently situated less than a mile from the intersection of Interstate 75 and US 36. The College's main drive allows entry from both the east and west boundaries of the campus.

Edison State Community College is a non-residential commuter institution and offers no housing either on or off campus. Students are responsible for their own housing arrangements.

Utility services to the College are provided by Dayton Power and Light, DP&L Energy, Vectren Energy, and the City of Piqua, Ohio. Fire and police protective services are provided by the City of Piqua. The College contracts with a private firm for security services.

A satellite educational facility, the Darke County Center, is located 25 miles west of Piqua in Greenville, Ohio. The center provides 17,000 square feet of educational space that Edison leases from the Darke County Commission. The Darke County Center features five classrooms, five computer labs, a science lab, learning lab, offices, and student lounge. Adequate parking is provided.

Other Institutions; Ohio Board of Regents

There are several other institutions of higher education within the general region (but not service area) of Edison State Community College. Those within commuting distance of some residents of the Edison service area include:

- James A. Rhodes State College in Lima, Ohio
- Cedarville University in Cedarville, Ohio
- Clark State Community College in Springfield, Ohio
- Earlham College in Richmond, Indiana
- Indiana University East in Richmond, Indiana
- Ivy Tech Community College in Richmond, Indiana
- Ohio State University Lima campus
- Sinclair Community College in Dayton, Ohio
- University of Dayton in Dayton, Ohio
- Wittenberg University in Springfield, Ohio
- Wright State University in Fairborn, Ohio and Lake Campus branch in Celina, Ohio

District Financial Operations and Results

1. Summary of Significant Accounting Principles

Description of Entity—Edison State Community College (the "College") was chartered in 1973 under provisions of the Ohio Revised Code as the first State General and Technical College in Ohio. The College thus emerged without special local taxation as a two-year, public, co-educational, state-supported institution of higher learning. The College is exempt from federal income taxes pursuant to provisions of Section 115 of the Internal Revenue Code. Under its charter, the College is authorized to offer studies in the Arts and Sciences, Technical Education and Adult Technical Education. The College, which is a component unit of the State of Ohio, is governed by a nine-member Board of Trustees. These members are appointed by the Governor of the State of Ohio.

Accrual Accounting—The accompanying financial statements have been prepared on the full accrual basis of accounting, whereby revenue is recognized in the period earned, or in the case of advances from other governments, when all eligibility requirements are met in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions. Expenditures are recognized when the related liabilities are incurred.

Financial Statements—The College reports as "business type activities," as defined by GASB Statement No 35, Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities. Business type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

The College has adopted GASB Statement No. 61, Financial Reporting Entity: Omnibus. This statement provides criteria for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational or financial relationships with the College. Based on application of the criteria, the College has one component unit. The College has determined that the Edison Foundation, Inc. is a component unit of the College. The financial activity of the Edison Foundation, Inc. is included through a discrete presentation as part of the College's financial statements.

Net Position Classifications—In accordance with GASB Statement No. 63 guidelines, the College's resources are classified into the following net asset categories:

Net Investment in Capital Assets—Capitalized physical assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted–Expendable—Assets related to grants and contracts activity, whose use is subject to externally-imposed restrictions.

Restricted–Non-expendable—Net assets represent endowment contributions from donors that are permanently restricted as to principal.

Unrestricted—Net assets that are not subject to externally imposed restrictions. Unrestricted net assets may be designated for specific purposes by the Board of Trustees. Substantially all of the College's unrestricted net assets are designated for future uses or contingencies.

Operating Versus Non-operating Revenues and Expenses——The College defines operating activities as reported on the statement of activities as those that generally result from exchange transactions such as payments received for providing goods or services and payments made for goods or services received. All of the College's expenses are from exchange transactions. Certain significant revenue streams relied on for operations as well as Pell grants, which are included in nonoperating federal grants and contracts on the statement of revenue, expenses and changes in net position, are reported as non-operating revenue as required by GASB Statement No. 35 and recent updates in the GASB's *Implementation Guide*, including state appropriations, investment income, and Pell grants.

Cash and Cash Equivalents—The College considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents include cash and money market funds, stated at cost which approximates fair value. All certificates of deposit are included in investments on the statement of net assets.

Accounts Receivable—Accounts receivable primarily consist of tuition and fee charges to students. Accounts receivable also include amounts due from federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts. Allowance is determined based on historical analysis.

Unearned Revenue**—**Unearned revenue consists of the unearned portion of student tuition and fees for the summer session, and all of the recorded student tuition and fees collected resulting from early registration for the fall session. Unearned revenue also includes amounts received from grant and contract sponsors that have not yet been earned.

Investments—The College accounts for its investments at fair value. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statements of revenue, expenses, and changes in net assets.

The restricted investments on the statement of net position consist of Capital Campaign funds that are to be used toward the debt service payments on the Series 2006 bonds. These funds were raised by the Edison Foundation and are transferred to the College annually.

Capital Assets**—**Capital assets are recorded at cost or, if acquired by gift, at fair value at the date of the gift. When capital assets are sold or otherwise disposed of, the net carrying value of such assets is removed from the accounts and the net investment in capital assets component of net position is adjusted accordingly. Capital assets, with the exception of land, are depreciated on the straight-line method over the following estimated useful lives:

Buildings and improvements	10 – 40 years
Student conference center	3 – 45 years
Center for excellence	45 years
Equipment and fixtures	3 – 20 years

The College's capitalization limit for equipment and furniture and fixtures is $5,000.

Grants and Scholarships—Student tuition and fees and bookstore revenue are presented net of grants and scholarships applied directly to student accounts. Grants and scholarships consist primarily of awards to students from the Federal Pell Grant Program. Payments made directly to students from grants and scholarships are presented as student aid.

Compensated Absences—Vested or accumulated vacation leave is recorded as an expenditure and liability of the current funds as the benefits accrue to employees. In accordance with the applicable accounting standards, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for an estimate of the amount of accumulated sick leave benefits that will be paid.

Use of Estimates—The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

2. Cash and Investments

The College's Board of Trustees is responsible for establishing deposit and investment policies. Once established, the Board has delegated the day-to-day management to the Controller of the College. Deposit and investment policies are developed to ensure compliance with state laws and regulations as well as to establish and maintain sound financial management practices. In accordance with the State of Ohio's and the College's policy, the College is authorized to invest cash in certificates of deposit, repurchase agreements, United States Treasury securities, federal government agency securities backed by the full faith of the government, municipal securities and the State Treasurer's investment pool.

Cash and cash equivalents—At June 30, 2013 and 2012, the carrying amount of the College's cash and cash equivalents was $3,311,834 and $1,775,202, respectively, (included in cash and cash equivalents in the statements of net position) and the bank balances were $3,595,252 and $2,195,386, respectively, that are placed with federally insured banks. The remaining balances of $345,241 at June 30, 2013 and 2012 were invested in United States government securities. These arrangements are in compliance with the Ohio Revised Code. Cash is generally in excess of the Federal Deposit Insurance Corporation's insurance limit. However, the College has not experienced any significant losses and does not believe it is subject to significant risk. These arrangements are in compliance with the Ohio Revised Code.

Included in cash and cash equivalents are $12,240 and $12,231 at June 30, 2013 and 2012, respectively, which were on deposit in the State Treasurer's investment pool (STAR Ohio). STAR Ohio is an investment pool managed by the Ohio State Treasurer's office that allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the Securities and Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940. The College's deposit is valued at the pool's share price, which is the price the investment could be sold for on June 30, 2013 and 2012. STAR Ohio has an AAA rating.

Investments— Investments are stated at their fair value of $2,628,689 at June 30, 2013 and are invested in certificates of deposit covered by federal depository insurance.

The fair value and cost of deposits and investments, by type, at June 30, 2013 and 2012 are as follows:

	2012	2013
Cash	$3,299,594	$1,762,971
STAR Ohio	12,240	12,231
Certificates of deposit	2,628,689	3,536,433
Total	$5,940,523	$5,311,635

Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets

REVENUES	2009	2010	2011	2012	2013
Operating Revenues					
Student tuition and fees	$ 8,416,962	$ 9,373,739	$ 10,289,354	$ 9,977,166	$ 9,428,694
Less grants and scholarships	(2,566,173)	(4,780,011)	(6,249,923)	(6,151,638)	(5,229,300)
Student tuition and fees, net of grants and scholarships	5,850,789	4,593,728	4,039,431	3,825,528	4,199,394
Federal grants and contracts	869,230	661,795	381,116	654,593	204,953
State and local grants and contracts	316,217	210,323	186,209	105,046	107,994
Gifts	0	0	0	0	0
Auxiliary enterprises:					
Bookstore net of grants and scholarships	1,849,373	1,139,969	302,213	333,599	268,717
Less grants and scholarships	(456,509)	(309,904)	0	0	0
Auxiliary revenue net of grants and scholarships	$1,392,864	$ 830,065	$ 302,213	$ 333,599	$ 268,717
Other operating revenues	196,815	184,251	196,557	164,570	226,182
Total operation revenues	$8,625,915	$6,480,162	$5,105,526	$5,083,336	$5,007,240
EXPENSES					
Operating Expenses					
Educational and General					
Instruction	$ 7,335,843	$ 7,409,016	$ 7,450,109	$ 7,113,594	$ 6,793,019
Public Service	798,127	777,437	775,868	746,005	664,912
Academic support	454,045	533,820	1,023,024	1,062,891	1,024,190
Student services	2,466,215	2,185,489	2,068,881	1,764,416	1,867,473
Institutional support	4,179,988	4,070,714	4,417,859	4,286,844	3,986,542
Operations and maintenance of plant	1,354,197	1,556,857	1,573,059	1,441,299	1,496,789
Depreciation	1,060,682	1,132,835	1,023,013	988,764	1,004,612
Student Aid	230,346	242,286	231,284	228,444	192,189
Auxiliary enterprises:					
Bookstore	1,435,838	746,051	11,020	10,297	12,390
Total operating expenses	$19,315,281	$18,654,505	$18,574,117	$17,642,554	$17,042,116
Operating income (loss)	$(10,689,366)	$(12,174,343)	$(13,468,591)	$(12,559,218)	$(12,034,876)

NONOPERATING REVENUES (EXPENSES)

	2009	2010	2011	2012	2013
Federal Grants and Contracts	$ 2,868,084	$ 4,936,064	$ 6,096,452	$ 6,050,015	$ 5,093,261
State Appropriations	7,232,364	6,108,169	6,178,613	6,564,156	6,619,428
Federal Stabilization Fund (ARRA)	0	1,020,943	1,054,215	0	0
Gifts	509,408	247,220	2,176,366	525,720	235,190
Investment income (loss), net of investment expense of	3,897	4,873	20,603	41,350	41,240
Interest Expense	(208,258)	(193,611)	(179,820)	(168,828)	(159,973)
Payments to the College	0	(60,482)	0	0	0
Gifts for Capital Purchases	0	0	0	0	0
Other Nonoperating Revenues (Expense)	0	0	0	(18,910)	0
Total Nonoperating Revenues	$10,405,495	$12,063,176	$15,346,429	$12,993,503	$11,829,146
Income (Loss) Before Other Revenues	(283,871)	(111,167)	1,877,838	434,285	(205,730)
Capital grants	289,511	334,249	334,249	334,249	222,739
Capital Appropriation	261,560	706,962	138,209	185,282	0
Total Other Revenues	$ 551,071	$ 1,041,211	$472,458	$519,531	$222,739
INCREASE (DECREASE) IN NET ASSETS	$ 267,200	$ 930,044	$ 2,350,296	$ 953,816	$ 17,009

NET ASSETS

	2009	2010	2011	2012	2013
Net assets - beginning of year	$15,689,365	$15,956,565	$16,886,609	$19,236,905	$20,190,721
Net assets - end of year	$15,956,565	$16,886,609	$19,236,905	$20,190,721	$20,207,730

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Summary of Year-End (June 30) Fund Balances

	2009	2010	2011	2012	2013
Current Education and General Fund	$ (791,182)	$1,228,752	$2,056,455	$2,462,756	$3,856,912
Current Auxiliary Enterprises Fund	628,760	24,130	0	0	0
Current Restricted Fund	4,623,513	906,677	2,695,999	3,071,768	2,099,234
Unexpected Plant Fund	501,718	142,644	91,107	87,404	83,718
Investment in Plant	23,151,310	27,376,477	27,862,950	28,295,925	28,895,394
Accumulated Depreciation	(12,157,554)	(12,792,071)	(13,469,606)	(13,727,132)	(14,727,528)

Financial Reports and Audits

The State Auditor is charged by law with the responsibility of inspecting and supervising the accounts and records of each taxing subdivision (including the District) and most public agencies and institutions.

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

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

The audited financial statements are public records, no consent to their inclusion is required, and no bring-down procedures have been undertaken by the auditor since the respective dates of the audit reports.

The audited financial statements of the District for Fiscal Years 2012 and 2013 are attached as Appendix B. Both fiscal years' financial statements have been audited by Plante Moran, PLLC, independent auditor, as stated in its report also appearing in Appendix B. In addition, both fiscal years' financial statements have been reviewed by the State Auditor and the audit report was deemed acceptable and required no modification.

Under the State's "fiscal watch" rules (Senate Bill 6), since 1997 the District's Treasurer is required to certify and file reports quarterly with the Ohio Board of Regents attesting to the accuracy of the District's financial results, as well as to indicate that there are no "reportable events" that could negatively impact the District's financial condition. The District is in complete compliance with the State's "fiscal watch" rules.

State Appropriations to the District

All public higher education institutions in Ohio receive State financial assistance for both operations and designated capital improvements through appropriations by the General Assembly. These appropriations contribute substantially to the successful maintenance and operation of the College.

The District receives State appropriations for most operating purposes on the basis of FTE students (excluding those who are not Ohio residents) multiplied by legislated subsidy allowances that vary by program. For the 2013 fall semester, approximately 99% of the College's headcount enrollment was comprised of subsidy-eligible students.

The following shows State operating appropriations (State share of instructional support and access challenge) to the District for recent Fiscal Years.

Fiscal Year	State Operating Appropriations
2009	$7,232,364
2010	7,129,112
2011	7,232,828
2012	6,564,156
2013	6,619,428

The District also receives State appropriations for capital improvements. For the five Fiscal Years ending June 30, 2013, the total was approximately $1,292,013 for land, buildings and renovations.

Capital funding allocations are based largely on student FTE's rather than on the Ohio Board of Regents' selection of projects submitted by each institution. Colleges and universities may request projects outside their funding allocation. The differences in the cost of debt service between the allocated and ultimately approved funding will be either added or subtracted from the institution's operating subsidy allocation.

Noncredit Student Revenues

The College’s noncredit revenues include public, open-enrollment courses and customized training activities delivered through the Business and Industry Center. Customized credit and non-credit offerings are delivered to local business on-campus or at the company site. Customized training areas include employee development, computer skills, and manufacturing skills and knowledge. Manufacturing skills encompass quality systems; factory automation and robotics; electrical systems and electronics; mechanical systems and design; and troubleshooting. The Center also offers a variety of open-enrollment, business-skill courses and workshops to the community in the areas of employee development, computer skills, and specialized workshops for unique groups. Edison’s Business and Industry Center coordinates a Basic Peace Officer Academy that delivers the Ohio Peace Officer Training Commission curriculum. The academy is offered for college credit.

The following provides a summary of non-credit revenue for the past five years. Credit revenues are reported in another area.

Fiscal Year	Revenue
2009	$566,666
2010	404,583
2011	447,266
2012	413,427
2013	325,117

Insurance Coverage

The College participates in the Ohio Association of Community Colleges Insurance Program Committee (a voluntary insurance pooling arrangement currently consisting of nine Ohio community colleges) managed by Marsh USA, Inc. Property, liability, employee dishonesty/crime, casualty and auto insurance are provided by a number of individual insurance companies. Edison's insured values and coverages are reviewed annually to insure that the college's assets are adequately protected.

Retirement Plans

College faculty participate in either the State Teachers Retirement System of Ohio ("STRS") or alternative retirements plan ("ARP"). Substantially, all other employees participate in either the Ohio Public Employees Retirement System ("OPERS") or the ARP. Both STRS and OPERS are state-wide cost-sharing multi-employer plans. OPERS and STRS provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits for STRS and OPERS is provided by state statute by Chapters 3307 and 145, respectively, of the Ohio Revised Code.

The financial statements and supplementary information for OPERS and STRS are made available for public inspection. The reports may be obtained by writing or calling:

OPERS
277 East Town Street
Columbus, OH 43215-4642
(614) 222-6705

STRS
275 East Broad Street
Columbus, OH 43215-3771
(614) 227-4002

The Ohio Revised Code provides statutory authority for employee and employer contributions. Effective January 1, 2010, the employee contribution rate was 10% for employees other than law enforcement. Effective January 1, 2010, the employer contribution rate for local government employers was 14%. The contribution requirements of plan members and the College are established and may be amended by state statute.

The College's contributions to OPERS and STRS for the years ended June 30, 2011, 2012, and 2013 were as follows:

	Contribution	
Years	PERS	STRS
2011	$507,196	$604,898
2012	499,248	637,044
2013	516,542	704,701

The contributions made by the College were equal to the required contributions for each year.

Certain full-time College faculty and unclassified staff have the option to choose the ARP in place of STRS or OPERS. The ARP is a defined contribution plan, which provides employees with the opportunity to establish individual retirement accounts with a defined group of investment options, with each participant having control of the assets and investment options associated with those assets. The administrators of the plan are the providers of the plan investment options. Authority to establish and amend benefits and contribution requirements for the ARP is provided by state statute per the Ohio Revised Code.

Under the provisions of ARP, the required contribution rates of plan participants are 10.0% of employees' covered compensation for employees who would otherwise participate in STRS or OPERS. The College contributes 10.5% of a participating faculty member's compensation and 13.23% of participating non-faculty member's compensation to the participant's account. The College is also required to contribute an additional 3.5% of employees' covered compensation to STRS and 0.77% of employees' covered compensation to OPERS. Plan participants' contributions to STRS and OPERS were $66,257 and $75,196 and the College contributions to the plan providers amounted to $112,876 and $113,406, respectively, for the years ended June 30, 2013 and 2012. In addition, the amounts contributed to STRS and OPERS by the College on behalf of ARP participants were $18,650 and $22,593, respectively, for the years ended June 30, 2013 and 2012.

Indebtedness

Assuming issuance of the Refunding Bonds, the Refunding Bonds will constitute the only Obligations outstanding under the Trust Agreement.

The District enters into various capital or operating leases and installment purchase agreements and may enter into additional such arrangements. In particular, the District has entered into a Guaranteed Energy Savings Performance Contract Dated June 27, 2005 pursuant to which the District agreed to acquire, install and finance certain energy conservation measures designed to produce energy savings at least equal to the payments due from the District under that Agreement. The amount financed under that Agreement was $610,000 bearing interest at 3.918% per annum. Quarterly principal and interest payments of $18,749 each are by the District payable through November 15, 2015, and the unpaid principal amount as of June 30, 2013 is $178,736. The District's obligation to make payments under that Agreement are subordinate to the Refunding Bonds and the lien on the General Receipts granted by the Trust Agreement. The District has no other material leases or installment payment agreements outstanding.

Other than as described above, the District does not expect to issue any additional General Receipts Obligations within the next five years.

The District has never failed to pay punctually and in full all amounts due for principal and interest on any of its obligations.

Foundation

The Edison Foundation, established in 1995, is a direct support organization for Edison State Community College.

The mission of the Edison Foundation is to assist Edison State Community College in meeting its educational and community service goals. The Foundation shall accomplish this through the identification, cultivation and solicitation of corporate, foundation and individual donors, and by communicating the goals and needs of The College to the communities of Darke, Miami and Shelby counties. The Foundation provides support to the College in a variety of ways, including scholarships to students, small grants for a variety of educational purposes, and operating support to the College's Alumni Association.

The Foundation's Board of Directors is comprised of 24 voting members. The College President serves as an ex-officio member of the Board. Up to two members of the College's Trustees can serve on the Foundation Board.

The Foundation's accounting function is separate from that of the College. The Foundation's financial records are audited separately from those of the College.

A summary of the Foundation's revenues, expenses and net assets for the last two Fiscal Years are as follows:

	2012	2013
Revenue and Other Support:		
Gift and Grants	$ 294,376	$ 320,211
Investment earnings:		
Interest and Dividends	43,505	42,360
Net realized and unrealized gains	(9,211)	60,904
Total revenue and other support	$ 328,670	$ 423,475
Expenses:		
College Scholarships Awarded	72,693	89,268
Holiday Evening Event	76,962	67,564
Grants for the College	0	103,032
Salary	0	46,728
Bad Debt	0	4,750
Graduate Academy	9,938	1,641
Debt Service for the College	475,000	119,500
Investment Advisory Fee	11,869	12,590
Miscellaneous	89,389	24,310
Total expenses	$ 735,851	$ 469,383
Change in Net Assets	$ (407,181)	$ (45,908)
Net Assets:		
Beginning of year	$ 2,434,796	$ 2,027,615
End of year	$ 2,027,615	$ 1,981,707

Information Concerning the Service Area and Community

The main campus of Edison State Community College is in Piqua, Ohio in northern Miami County, Ohio. Piqua is approximately 29 miles north of Dayton, Ohio, 122 miles south of Toledo, and 69 miles west of Columbus. The City of Piqua was incorporated in 1822.

However, Edison State Community College's service area extends well beyond the city of Piqua. By charter, Edison State Community College's service area is Miami, Shelby, and Darke Counties in West Central Ohio. According to the 2010 United States Census, those contiguous counties had the following populations:

County	2013 Population
Miami	103,439
Darke	52,376
Shelby	42,192

Within the counties, there are five cities which include the following:

City	2013 Population	County
Troy	25,445	Miami
Piqua	20,699	Miami
Sidney	21,006	Shelby
Greenville	13,073	Darke
Tipp City	9,809	Miami

Miami County is included in the Dayton- Springfield-Greenville, Ohio Statistical Area which has a population of $1.1 million people as of 2012. As such, Miami County is primarily a suburban community. Shelby and Darke Counties on the other hand, are commercial/industrial communities at their center and surrounded by rural areas dominated by agriculture.

Transportation

Miami and Shelby Counties are bisected from North to South by Interstate 75. Miami and Darke Counties are crossed by U.S. Route 36 from East to West. Darke County is also bisected by U.S. Route 127 from North to South. All three counties are served by an abundance of state routes.

Commercial, air passenger and freight service is provided to Edison State Community College's service area by Dayton International Airport in Montgomery County approximately 25 miles from Piqua. The Dayton International Airport abuts Miami County and is easily accessible from both Interstate 75 and Interstate 70. Private aviation facilities are also available at the Darke County Airport in Versailles, Sidney Municipal Airport, and Hartzell Field near Piqua.

Troy, Sidney, and Piqua are served by CSX Transportation's main line with over twenty five trains per day and local switching scheduled for three times per week. Greenville is served by RJ Corman Railroad Group's Western Ohio Line which connects to CSX in Ansonia. There is no passenger service to any of those cities.

Hospitals

There are three general hospitals in Edison's service area: Upper Valley Medical Center which serves Miami County, Wilson Memorial Hospital in Sidney which serves Shelby County, and Wayne Hospital in Greenville which serves Darke County.

Upper Valley Medical Center has 195 inpatient beds in a modern facility which provides oncology services, cardiac rehabilitation, dialysis services, maternity, outpatient surgery, long-term care, and occupational health services. Upper Valley also operates satellite and long-term care facilities as well as the Dettmer Behavioral Health Services facility.

Wilson Memorial Hospital in Sidney has 90 licensed inpatient beds, including the new Copeland-Emerson Family Birth Center and a new Cardiac Center. Other services include behavioral health, imaging, occupational health, rehabilitation, a Diabetes Wellness Center, a sleep disorders lab, in-hospital care, and in-home care.

Wayne Hospital in Greenville is an acute care hospital with 92 licensed inpatient beds providing services in the areas of maternity, emergency care, outpatient rehabilitation, respiratory therapy, surgery, a cardiopulmonary department, and kidney dialysis.

The region is also served by Miami Valley Hospital's CareFlight Air Ambulance service.

Labor Force Statistics by County

Approximately 19% of Edison's students live in Darke County. Approximately 43% of Edison's students live in Miami County. Approximately 23% of Edison's students live in Shelby County. Civilian labor force statistics for these counties, as well as State and national figures, are as follows:

AVERAGE UNEMPLOYMENT RATES**

Year	Darke	Miami	Shelby	State	Nation
2010	10.6%	10.5%	11.7%	10.0%	9.6%
2011	8.8	8.7	9.2	8.7	8.9
2012	6.9	7.1	7.0	7.4	8.1
2013	6.6	7.2	6.3	7.4	7.4
2014*	4.7	5.0	4.3	5.3	5.9

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

The following table shows descriptive statistics of Edison's service area in 2012 dollars from the U.S. Census Bureau 2008-2012 American Community Survey 5-Year Estimates.

	Median Household Income	Median Value of Owner-occupied Housing Units
Darke County	$44,311	$111,100
Miami County	52,292	138,900
Shelby County	51,159	122,700
State of Ohio	48,246	133,700

Major Employers

The following is a list of major employers by county:

DARKE COUNTY
(INDUSTRIAL/COMMERCIAL ONLY)

	Employer	Approximate Number of Employees
1.	Greenville Technology, Inc.	1,040
2.	Whirlpool Corporation	1,000
3.	Midmark Corporation	894
4.	Wayne HealthCare	426
5.	Brethren Retirement Community	395
6.	FRAM Group	325
7.	Dick Lavy Trucking	278
8.	Beauty Systems Group	230
9.	PolyOne Designed Structures & Solutions, LLC	123
10.	Norcold, Inc.	120

Source: Darke County Economic Development Office (http://darkecounty.com/existing-business-and-industrial-services/top-10-employers.aspx)

MIAMI COUNTY

	Employer	Approximate Number of Employees	Nature of Business
1.	Upper Valley Medical Center	1,600	Hospital
2.	F & P America Mfg. Inc.	950	Manufacturing
3.	Clopay Building Products	900	Manufacturing
4.	United Technologies Corporation	800	Manufacturing
5.	Con Agra Foods	700	Manufacturing
6.	ITW/Hobart Brothers	600	Manufacturing
7.	American Honda Motor Company	550	Logistics
8.	Miami County Government	500	Manufacturing
9.	Troy City Schools	400	Education
10.	Meijer Superstore	400	Retail

Source: Troy Chamber of Commerce as of July 2013

SHELBY COUNTY

	Employer	Approximate Number of Employees	Nature of Business
1.	Honda of America Mfg., Inc.	2,215	Automotive Manufacturing
2.	Emerson Climate Technologies	1,595	Compressors & Condensing Units for Air Conditioning
3.	CenturyLink	1,512	Telecommunications
4.	Wilson Memorial Hospital	842	Healthcare
5.	Plastipak Packaging, Inc.	750	Plastic Container Manufacturing
6.	Shelby County	631	Local Government
7.	NK Parts Industries	574	Automotive Parts
8.	Cargill, Inc.	426	Production and Marketing of Food and Agricultural Products and Services
9.	Airstream	403	Trailer Manufacturer
10.	Sidney City Schools	398	Education

Source: Sidney-Shelby County Chamber of Commerce as of December 3, 2013

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APPENDIX B

AUDITED FINANCIAL STATEMENTS

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EDISON STATE COMMUNITY COLLEGE

ANNUAL REPORT
WITH SUPPLEMENTAL INFORMATION

June 30, 2013 and 2012

Dave Yost • Auditor of State

Board of Trustees
Edison State Community College
1973 Edison Drive
Piqua, Ohio 45356

We have reviewed the *Independent Auditor's Report* of the Edison State Community College, Miami County, prepared by Plante & Moran, PLLC, for the audit period July 1, 2012 through June 30, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Edison State Community College is responsible for compliance with these laws and regulations.

Dave Yost
Auditor of State

October 22, 2013

88 East Broad Street, Fifth Floor, Columbus, Ohio 43215-3506
Phone: 614-466-4514 or 800-282-0370 Fax: 614-466-4490
www. auditor.state.oh.us

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EDISON STATE COMMUNITY COLLEGE
Piqua, Ohio

ANNUAL REPORT
June 30, 2013 and 2012

CONTENTS

Plante & Moran, PLLC
3434 Granite Circle
Toledo, OH 43617
Tel: 419.843.6000
Fax: 419.843.6099
plantemoran.com

Independent Auditor's Report

To the Board of Trustees
Edison State Community College

Report on the Financial Statements

We have audited the accompanying financial statements of Edison State Community College (the "College") and its discretely presented component unit as of and for the years ended June 30, 2013 and 2012 and the related notes to the financial statements, which collectively comprise Edison State Community College's basic financial statements as listed in the table of contents. These financial statements are reported as a component unit of the State of Ohio.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Trustees
Edison State Community College

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Edison State Community College and its discretely presented component unit as of June 30, 2013 and 2012 and the changes in its financial position and, where applicable, cash flows thereof, for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, effective July 1, 2012, the College adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, into the definitions of the required components of the residual measure of net position, formerly net assets. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Edison State Community College's basic financial statements. The other supplemental information and schedule of expenditures of federal awards, as identified in the table of contents, are presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, and are not a required part of the basic financial statements.

To the Board of Trustees
Edison State Community College

The other supplemental information and schedule of expenditures of federal awards, as identified in the table of contents, are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information and schedule of expenditures of federal awards, as identified in the table of contents, are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2013 on our consideration of Edison State Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Edison State Community College's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 11, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of Edison State Community College's (the "College") financial statements provides an overview of the College's financial activities as of and for the years ended June 30, 2013 and 2012. Management has prepared the financial statements and the related footnote disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with College management.

Using This Report

In June 1999, the Governmental Accounting Standards Board (GASB) released Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This Statement requires a comprehensive look at the entity as a whole and presents a long-term view of the entity's finances. In November 1999, the GASB issued Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities,* which applies these standards to public colleges and universities.

The standards require three basic financial statements: the statement of net position, the statement of revenue, expenses, and changes in net position, and the statement of cash flows.

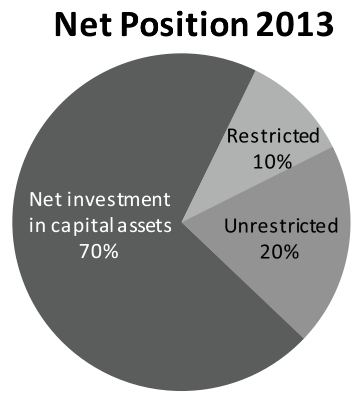
This annual financial report includes the report of independent auditors, this management's discussion and analysis, the basic financial statements in the above-referred format, notes to financial statements, and supplemental information.

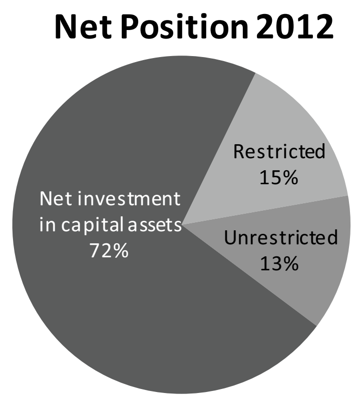
These statements include all assets and liabilities under the accrual basis of accounting, which is the same as the accounting used by most private sector institutions. All of the current year's revenue and expenses are taken in account regardless of when the cash is received or paid.

Financial Highlights

In the fiscal year ended June 30, 2013, the College's revenue and other support exceeded expenses, creating an increase in net position of $17,009, and unrestricted net position increased by $1,390,470. Although revenue declined from 2012, operating expenses also declined, as noted in the following analysis. In addition, the cash and short-term investment position of the College decreased by $242,241.

The following charts provide a graphical breakdown of net position by category for the fiscal years ended June 30, 2013 and 2012.





The Statements of Net Position and the Statements of Revenue, Expenses, and Changes in Net Position

One of the most important questions asked about the College's finances is whether the College as a whole is better off or worse off as a result of the year's activities. The Statements of Net Position and the Statements of Revenue, Expenses, and Changes in Net Position report information on the College as a whole and on its activities in a way that helps answer this question. Over time, increases or decreases in the College's net position are one indicator of whether its financial health is improving or deteriorating. Other indicators of the College's overall health must also be considered. These include the trend and quality of applicants, class size, student retention, strength of faculty, condition of the buildings, and the safety of campus. All are necessary to assess the overall health of the College. The College's financial position in FY2012 improved over 2011 due to careful cost containment and increased tuition rates offset by lower enrollment and reduced state support. The College's financial position was stronger at June 30, 2013 than it was in the prior year. In FY2013, improvements resulting from cost containment and a smaller increase in tuition rates (compared to 2012) were offset by reduced enrollment, support from the Foundation, and capital grants and appropriations.

The following is a summary of the major components of net position and operating results of the College as of and for the years ended June 30, 2013, 2012, and 2011:

	2013	2012	2011
Current assets	$ 6,462,479	$ 8,042,965	$ 6,482,783
Noncurrent assets			
Capital assets - Net	17,191,360	17,833,880	17,862,192
Other	1,874,366	1,003,237	1,516,451
Total assets	$ 25,528,205	$ 26,880,082	$ 25,861,426
Current liabilities	$ 1,977,367	$ 3,021,917	$ 2,803,725
Noncurrent liabilities	3,343,108	3,667,444	3,820,796
Total liabilities	5,320,475	6,689,361	6,624,521
Net Position			
Net investment in capital assets	14,167,866	14,568,793	14,393,344
Restricted	2,099,234	3,071,768	2,695,999
Unrestricted	3,940,630	2,550,160	2,147,562
Total net position	$ 20,207,730	$ 20,190,721	$ 19,236,905

	Years Ended June 30		
	2013	2012	2011
Operating revenues			
Student tuition and fees	$ 9,428,694	$ 9,977,166	$ 10,289,354
Less grants and scholarships	(5,229,300)	(6,151,638)	(6,249,923)
Net student tuition and fees	4,199,394	3,825,528	4,039,431
Federal grants and contracts	204,953	654,593	381,116
State and local grants and contracts	107,994	105,046	186,209
Auxiliary activities	268,717	333,599	302,213
Other operating revenues	226,182	164,570	196,557
Total operating revenues	5,007,240	5,083,336	5,105,526
Operating expenses			
Educational and general instruction			
Instruction	6,793,019	7,113,594	7,450,109
Public service	664,912	746,005	775,868
Academic support	1,024,190	1,062,891	1,023,024
Student services	1,867,473	1,764,416	2,068,881
Institutional support	3,986,542	4,286,844	4,417,859
Plant operations and maintenance	1,496,789	1,441,299	1,573,059
Depreciation	1,004,612	988,764	1,023,013
Student aid	192,189	228,444	231,284
Auxiliary enterprises - bookstore	12,390	10,297	11,020
Total operating expenses	17,042,116	17,642,554	18,574,117
Operating loss	(12,034,876)	(12,559,218)	(13,468,591)
Nonoperating revenues (expenses) and other changes			
Federal grants and contracts	5,093,261	6,050,015	6,096,452
State appropriations including ARRA funds	6,619,428	6,564,156	7,232,828
Interest expense	(159,973)	(168,828)	(179,820)
Other nonoperating revenues	276,430	548,160	2,196,969
Capital grants	222,739	334,249	334,249
Capital appropriations	-	185,282	138,209
Total nonoperating revenues and other changes	12,051,885	13,513,034	15,818,887
Change in net position	$ 17,009	$ 953,816	$ 2,350,296

Operating Revenue

Operating revenue includes all revenue from exchange transactions such as tuition and fees, as well as income from from sales of goods and services such as bookstore operations. In addition, certain federal, state, and private grants are considered operating if they are not for capital purposes and are considered a contract for service.

The following factors had a significant impact on the fiscal year 2013 operating revenue:

- Student tuition and fees decreased by 5.5%, or $548,472 because academic year 2012/2013 enrollment was down by 10.8% as compared to the prior year. The enrollment decline was partially offset by an increase in tuition and fees of approximately $6.70 per credit hour, or 5.2%. Net student tuition and fees increased by $373,866, or 9.8% due to a reduction in indirect costs related to Federal Pell Grant awards (which are reported as a reduction in net student tuition and fees) of $946,509, or 13.9% of net student tuition and fees. Note that decreases in indirect costs for Pell Grants are offset by similar increases in revenues from Pell Grants, which are reported as other revenues from federal grants and contracts.

- Federal grants and contracts revenue decreased by $449,640 or 68.7%, because the College received a $450,600 Energy Efficiency Conservation Block Grant in FY2012 that was not replicated in FY2013. Remaining federal grants remained consistent with FY2012.

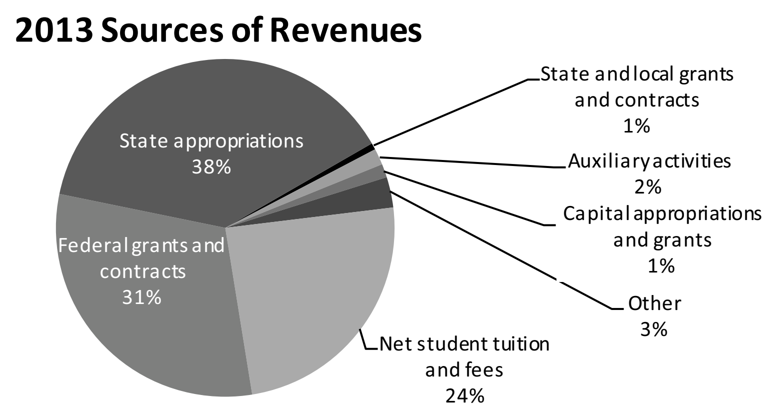
The following factors had a significant impact on the fiscal year 2012 operating revenue:

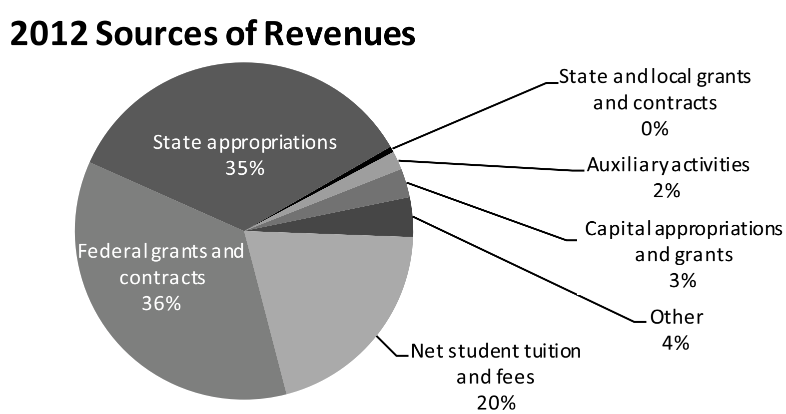
- Student tuition and fees decreased by 3.0%, or $312,188 because academic year 2011/2012 enrollment was down by 6.8% as compared to the prior year. The enrollment decline was partially offset by an increase in tuition and fees of $4.30 per credit hour, or 3.5%. Net student tuition and fees declined by $213,903, or 5.3%.

- Federal grants and contracts revenue increased by $273,477, or 71.8% because the College received a $450,600 Energy Efficiency Conservation Block Grant that was awarded in late FY2011. Although the grant was awarded in FY2011, the revenue was received in FY2012 as expenses which it funded were incurred. That grant was offset by decreases in other federal grants.

- State and Local Grants were $81,163 or 43.6% lower than in 2011 due to the almost total elimination of State Tech Prep funding.

The following is a graphic illustration of total revenue by source:





Operating Expenses

Operating expenses are all the costs necessary to perform and conduct the programs and functions of the College.

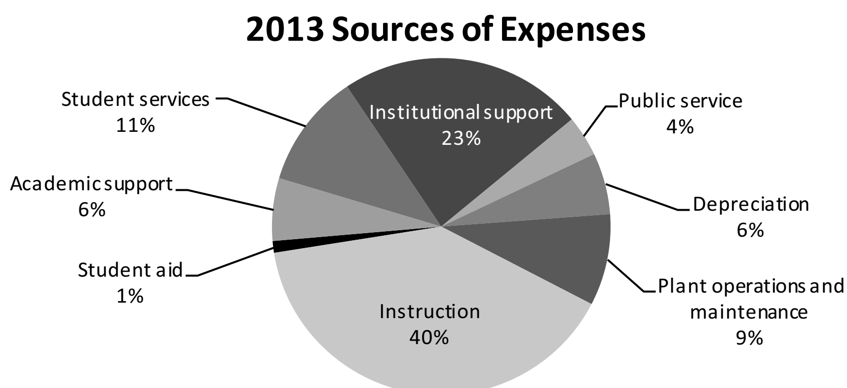
Fiscal year 2013 expenses were affected by the following:

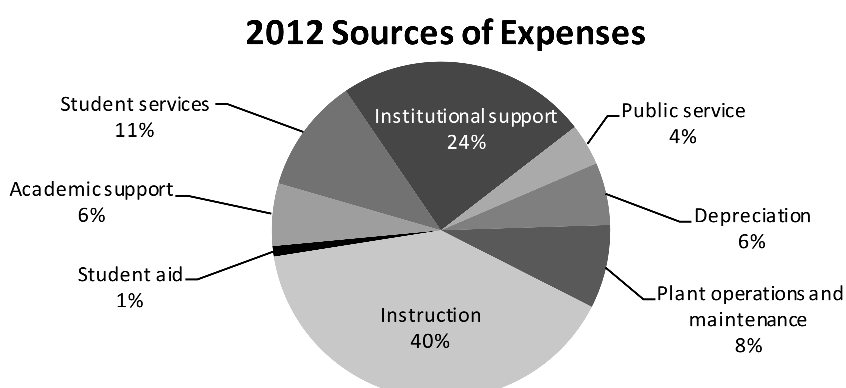
- Instructional spending was down by $320,575, or 4.5%, primarily because lower enrollment enabled the College to reduce the number of course sections offered, thus reducing the expense of part-time faculty.
- Student services spending increased $103,057, or 5.8%, due primarily to a reorganization in which the wages, benefits, and other applicable expenses related to 3.75 IT employees were transferred from institutional support to student services. The reorganization was effective October 1, 2012.
- Institutional support spending decreased by $300,302, or 7.0% as a result of the aforementioned reorganization, strategic cost cutting measures, and vacancies in several key positions during FY2013, which were either filled prior to year end or have subsequently been filled in FY2014.

Fiscal year 2012 expenses were affected by the following:

- Instructional spending was down by $336,515, or 4.5%, primarily because lower enrollment enabled the College to reduce the number of course sections offered, thus reducing the expense of part-time faculty.
- Student services spending was $304,465, or 14.7% lower due to two factors. The largest was the almost complete elimination by the State of Ohio of the Tech Prep grant program and its attendant expenses. The remainder of the decrease was a result of cost savings and expense management in several of the departments.
- Institutional support spending decreased by $131,015, or 3.0% as a result of the presidential search being completed in 2011 thus resulting in elimination of those expenses in 2012.
- Plant Operations and maintenance declined by $131,760 or 8.4% as a result of energy savings and reductions in repair and maintenance expenses which were achieved without deferring maintenance.

The following is a graphic illustration of total expenses by function:





Nonoperating Revenues and Other Changes

Nonoperating revenues are all revenue sources that are primarily non-exchange in nature and consist primarily of revenue from state appropriations and certain federal grants and contracts.

Fiscal year 2013 nonoperating revenues and other changes were significantly affected by the following factors:

- Federal grants and contracts were $956,754, or 15.8%, lower than the prior year primarily due to a decrease in Federal Pell Grant awards during FY2013. Pell Grants decreased $958,210, or 15.9%, from the prior year.
- Gifts from the Foundation, which totaled $235,190 in FY2013, are reported as a component of other nonoperating revenues. Gifts included $119,500 of contributions collected by the Inventing Tomorrow Together Capital Campaign in FY2013 and transferred from the Foundation to the College. In addition, scholarship and other funds transferred amounted to $115,690, which included $99,857 for student services from the Texas Guaranteed Grant. The total of $235,190 was significantly lower than the total in FY2012 because in FY2012, the Foundation collected and transferred a total of $475,000 related to the Inventing Tomorrow Together Capital Campaign. See below for more information about FY2012.

Fiscal year 2012 nonoperating and other revenues were significantly affected by the following factors:

- State appropriations, known as State Share of Instruction, decreased by 9.2% or $668,672 due to a lower state appropriation for all state colleges and universities.
- Gifts from the Foundation included $475,000 of contributions collected by the Inventing Tomorrow Together Capital Campaign in FY2012 and transferred from the Foundation to the College. In addition, scholarship and other funds transferred amounted to $50,720. The total of $525,720 was significantly lower than the total in FY2011, because in FY2011, the Foundation transferred all of the gifts from the Foundation that were received as pledge commitments in FY2011 and prior years.

Statement of Cash Flows

Another way to assess the financial health of the College is to look at the statement of cash flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of the entity during a period. The statement of cash flows also helps users assess:

- An entity's ability to generate future net cash flows
- Its ability to meet its obligations as they come due
- Its needs for external financing

Cash Flows for the Years Ended June 30, 2013, 2012, and 2011

	2013	2012	2011
Cash provided by (used in):			
Operating activities	$ (10,823,528)	$ (11,870,472)	$ (12,581,056)
Noncapital financing activities	11,947,879	13,139,891	15,505,646
Capital and related financing activities	(536,703)	(832,322)	(392,281)
Investing activities	948,984	(159,267)	(3,286,952)
Net increase (decrease) in cash and cash equivalents	1,536,632	277,830	(754,643)
Cash and cash equivalents - beginning of year	1,775,202	1,497,372	2,252,015
Cash and cash equivalents - end of year	$ 3,311,834	$ 1,775,202	$ 1,497,372

The College's cash position improved by $1,536,632 in fiscal year 2013. The primary reasons for the increase were a decrease in net accounts receivable of $1,351,864, which was offset by a decrease in unearned student fee income of $706,952, and proceeds from maturities of investment exceeding new investment purchases by $947,745.

The College's cash position improved by $277,830 in fiscal year 2012. The primary reason for that increase was revenue exceeded expenses by $953,816, although the impact on cash position was partially offset by an increase in accounts receivable and the use of cash to make principal payments on debt and to purchase investments.

Capital Assets

As of June 30, 2013, the College had approximately $31.9 million in capital assets, less accumulated depreciation of $14.7 million for a net of $17.2 million invested. Depreciation charges totaled approximately $1.0 million for the current and prior two fiscal years.

The net book value of capital assets at June 30, 2013, 2012, and 2011 is as follows:

	2013	2012	2011
Land and land improvements	$ 736,236	$ 751,218	$ 738,554
Building and improvements	6,319,967	6,745,340	6,522,231
Student conference center	3,214,342	3,383,952	3,553,561
Center for Excellence	6,155,558	6,314,193	6,472,826
Equipment	765,252	639,072	574,915
Vehicles	5	105	105
Total	$ 17,191,360	$ 17,833,880	$ 17,862,192

Long-Term Debt

The College currently has bonds payable which consist of a 4.0% series 2006 General Receipts Bond due December 2026. Scheduled interest and principal payments have been made on the bonds. The University's bonds are currently rated "AAA" by Standard & Poor's.

For more detailed information on current outstanding debt, see Note 5 to the financial statements.

Economic Factors and Future Years' Budgets

Edison Community College remains committed to student success and community collaboration, with the goal of being the premier resource for higher education and workforce development in the region. Our strategic master plan is focused on achieving this goal by implementing strategies:

- To better understand our student and stakeholder needs.
- To obtain the physical and instructional resources necessary to enhance student learning and program completion, thereby meeting those needs.
- To continue to engage and value our faculty and staff, who expertly deploy those resources in ways that assure student success and community enhancement.
- To accomplish all of this in an environment of continuous improvement and fiscal sustainability.

Edison has been and will be subject to the same demographic, economic and policy issues as virtually all other colleges and universities in the higher education system of Ohio.

- Demographic: The number of traditional college age Ohio students (those graduating from high school) is declining from year to year, while the average age of our community college students is increasing, as individuals who are out of work or have had their work hours reduced retool for new professions.
- Economic: Enrollment increased dramatically during the recession, but has decreased as the economy and job availability improved.
- Policy: The effort to change the focus of the State Share of Instruction (SSI) formula, as described in last year's discussion, will be implemented in FY15. The new formula represents a shift from an emphasis on enrollment to an emphasis on completion. Edison is represented on the various committees working to complete the formula, and as noted above, is working on strategies to increase student success.
- Policy: The Ohio Board of Regents and the Office of Budget Management have both begun to emphasize operational efficiencies through shared services and other collaborative arrangements between state and local government entities. Edison currently participates in a collaborative insurance buying program and is represented on the Board of Regents new Efficiency Committee. Edison's fiscal sustainability strategies could be enhanced by this committee's efforts.

- Policy: The state has increased the emphasis on campus safety, security and emergency processes and procedures in light of recent active shooter incidents and natural disasters. Edison has adequate policies in place, although we are currently reviewing our procedures in light of new information and requirements. Edison is represented on the Board of Regents Safety Committee.

Edison Community College also has several opportunities that will impact our future financial position.

- Work Force Training and Education Demand: Edison currently supports work force training, employee development and education (some of which also includes for-credit course delivery) for a number of manufacturers in our region. Many of these firms have told us that their need for new employees is double the number of our engineering technologies and computer information technologies graducates, indicating that they have more current and future job opportunities than we can currently supply.
- Underserved Constituency: The percentage of residents with college degrees in all three Ohio counties we serve are well below the state average, as is per capita income. This represents a potential market that our strategies will attempt to tap.

Edison's future forecast.

- FY14: Because student enrollment is slightly greater than forecasted in the current FY14 budget and we continue to strive for fiscal sustainability, we anticipate that net assets will increase somewhat compared to FY13.
- FY15: Forecasting an additional year in advance is always difficult. However, assuming no significant economic or policy changes and the positive implementation of our strategies, we would expect 2015 to exhibit a more positive financial result.
- FY15/16 Capital Budget: The capital budget (actually over six years, with most emphasis on the first two years) offers the opportunity to request the resources necessary to meet student and workforce education requirements in terms of facilities, instructional resources, etc. If our budget is approved, we would expect a positive financial impact to accrue in future years.

EDISON STATE COMMUNITY COLLEGE
STATEMENTS OF NET POSITION
June 30, 2013 and 2012

	College 2013	College 2012	College Related Foundation 2013	College Related Foundation 2012
Assets				
Current Assets				
Cash and cash equivalents	$ 3,311,834	$ 1,775,202	$ -	$ -
Restricted investments	-	-	-	-
Investments	754,323	2,533,196	-	-
Accounts and pledges receivable (net)	2,214,442	3,566,306	106,700	105,717
Prepaid expenses and other	173,175	158,502	4,508	4,085
Inventories	8,705	9,759	-	-
Total current assets	6,462,479	8,042,965	111,208	109,802
Noncurrent Assets				
Account and pledges receivable (net)	-	-	-	96,790
Restricted investments	1,874,366	1,003,237	142,526	303,254
Investments	-	-	1,727,973	1,517,769
Capital assets (net)	17,191,360	17,833,880	-	-
Total noncurrent assets	19,065,726	18,837,117	1,870,499	1,917,813
Total assets	$ 25,528,205	$ 26,880,082	$ 1,981,707	$ 2,027,615
Liabilities				
Current Liabilities				
Accounts payable and accruals	$ 339,937	$ 764,798	$ -	$ -
Accrued salaries, wages, and benefits	693,339	598,521	-	-
Unearned revenues	710,054	1,417,006	-	-
Capital lease obligation, current	69,037	81,592	-	-
Long-term debt, current	165,000	160,000	-	-
Total current liabilities	1,977,367	3,021,917	-	-
Noncurrent Liabilities				
Accrued compensated absences	208,409	298,707	-	-
Capital lease obligation	109,699	178,737	-	-
Long-term debt	3,025,000	3,190,000	-	-
Total liabilities	5,320,475	6,689,361	-	-
Net Position				
Net investment in capital assets	14,167,866	14,568,793	-	-
Restricted - expendable	2,099,234	3,071,768	658,625	672,847
Restricted - nonexpendable	-	-	133,622	132,332
Unrestricted	3,940,630	2,550,160	1,189,460	1,222,436
Total net position	$ 20,207,730	$ 20,190,721	$ 1,981,707	$ 2,027,615

See Notes to Financial Statements.

EDISON STATE COMMUNITY COLLEGE
STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
Years Ended June 30, 2013 and 2012

	College 2013	College 2012	College Related Foundation 2013	College Related Foundation 2012
Operating revenue				
Student tuition and fees	$ 9,428,694	$ 9,977,166	$ -	$ -
Less grants and scholarships	(5,229,300)	(6,151,638)	-	-
Net student tuition and fees	4,199,394	3,825,528	-	-
Federal grants and contracts	204,953	654,593	-	-
State and local grants and contracts	107,994	105,046	-	-
Auxiliary enterprises - bookstore	268,717	333,599	-	-
Gifts	-	-	317,248	286,629
Other operating revenue	226,182	164,570	-	-
Total revenues, gains and other support	5,007,240	5,083,336	317,248	286,629
Operating expenses				
Instruction	6,793,019	7,113,594	-	-
Public service	664,912	746,005	-	-
Academic support	1,024,190	1,062,891	-	-
Student services	1,867,473	1,764,416	-	-
Institutional support	3,986,542	4,286,844	157,583	188,158
Plant operations and maintenance	1,496,789	1,441,299	-	-
Depreciation and amortization	1,004,612	988,764	-	-
Student aid	192,189	228,444	-	-
Auxiliary enterprises	12,390	10,297	-	-
Total operating expenses	17,042,116	17,642,554	157,583	188,158
Operating (loss) income	(12,034,876)	(12,559,218)	159,665	98,471
Nonoperating revenues (expenses)				
Federal grants and contracts	5,093,261	6,050,015	-	-
State appropriations	6,619,428	6,564,156	-	-
Gifts - including $235,190 and $525,720 from Foundation for 2013 and 2012, respectively	235,190	525,720	2,963	7,747
Investment income, net of expense	41,240	41,350	103,264	34,294
Interest expense	(159,973)	(168,828)	-	-
Loss on fixed asset disposals	-	(18,910)	-	-
Transfer from Edison Foundation	-	-	(311,800)	(547,693)
Total nonoperating revenues (expenses)	11,829,146	12,993,503	(205,573)	(505,652)
Income (loss) before other changes	(205,730)	434,285	(45,908)	(407,181)
Other changes				
Capital grants	222,739	334,249	-	-
Capital appropriation	-	185,282	-	-
Total other changes	222,739	519,531	-	-
Change in Net Position	17,009	953,816	(45,908)	(407,181)
Net position at beginning of year	20,190,721	19,236,905	2,027,615	2,434,796
Net position at end of year	$ 20,207,730	$20,190,721	$ 1,981,707	$ 2,027,615

See Notes to Financial Statements.

EDISON STATE COMMUNITY COLLEGE
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2013 and 2012

	2013	2012
Cash flows from operating activities		
Student tuition and fees	$ 4,844,306	$ 3,693,461
Grants and contracts	312,947	498,851
Payments to vendors and employees	(16,475,680)	(16,572,868)
Auxiliary enterprises	268,717	333,599
Other receipts	226,182	176,485
Net cash used in operating activities	(10,823,528)	(11,870,472)
Cash flows from noncapital financing activities		
State appropriations	6,619,428	6,564,156
Federal grants and contracts	5,093,261	6,050,015
Gifts	235,190	525,720
Net cash from noncapital financing activities	11,947,879	13,139,891
Cash flows from capital and related financing activities		
Capital grants	222,739	334,249
Capital appropriations	-	185,282
Purchases of capital assets	(357,876)	(960,452)
Interest paid on outstanding debt	(159,973)	(168,828)
Loss on fixed asset disposals	-	(18,910)
Principal paid on outstanding debt	(241,593)	(203,663)
Net cash used in capital and related financing activities	(536,703)	(832,322)
Cash flows from investing activities		
Proceeds from maturities of investments	6,080,966	312,007
Purchase of investments	(5,133,221)	(512,624)
Interest on investments	1,239	41,350
Net cash from (used in) investing activities	948,984	(159,267)
Net increase in cash and cash equivalents	1,536,632	277,830
Cash and cash equivalents, beginning of year	1,775,202	1,497,372
Cash and cash equivalents, end of year	$ 3,311,834	$ 1,775,202
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (12,034,876)	$ (12,559,218)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,000,396	983,640
Changes in assets and liabilities:		
Accounts receivable	1,351,864	(263,977)
Inventories	1,054	5,979
Prepaid expenses and other	(14,673)	(4,660)
Accounts payable and accruals	(424,861)	260,267
Accrued salaries, wages, and benefits	4,520	(175,540)
Unearned revenues	(706,952)	(116,963)
Net cash used in operating activities	$ (10,823,528)	$ (11,870,472)

See Notes to Financial Statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: Edison State Community College (the "College") was chartered in 1973 under provisions of the Ohio Revised Code as the first State General and Technical College in Ohio. The College thus emerged without special local taxation as a two-year, public, co-educational, state-supported institution of higher learning. The College is exempt from federal income taxes pursuant to provisions of Section 115 of the Internal Revenue Code. Under its charter, the College is authorized to offer studies in the Arts and Sciences, Technical Education, and Adult Technical Education. The College, which is a component unit of the State of Ohio, is governed by a nine-member Board of Trustees. These members are appointed by the Governor of the State of Ohio.

Accrual Accounting: The accompanying financial statements have been prepared on the full accrual basis of accounting, whereby revenue is recognized in the period earned, or in the case of advances from other governments, when all eligibility requirements are met in accordance with Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Expenditures are recognized when the related liabilities are incurred.

Financial Statements: The College reports as "business-type activities," as defined by GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities.* Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

The College has adopted GASB Statement No. 61, *Financial Reporting Entity: Omnibus*. This statement provides criteria for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational or financial relationships with the College. Based on application of the criteria, the College has one component unit. The College has determined that the Edison Foundation, Inc. is a component unit of the College. The financial activity of the Edison Foundation, Inc. is included through a discrete presentation as part of the College's financial statements.

Net Position Classifications: In accordance with GASB Statement No. 63 guidelines, the College's resources are classified into the following net asset categories:

Net investment in Capital Assets. Capitalized physical assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted - Expendable. Assets related to grants and contracts activity, whose use is subject to externally imposed restrictions.

Restricted - Nonexpendable. Net assets represent endowment contributions from donors that are permanently restricted as to principal.

Unrestricted. Net assets that are not subject to externally imposed restrictions. Unrestricted net assets may be designated for specific purposes by the Board of Trustees. Substantially all of the College's unrestricted assets are designated for future uses or contingencies.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Versus Nonoperating Revenue and Expenses: The College defines operating activities as reported on the statement of activities as those that generally result from exchange transactions such as payments received for providing goods or services and payments made for goods or services received. All of the College's expenses are from exchange transactions. Certain significant revenue streams relied on for operations as well as Pell grants, which are included in nonoperating federal grants and contracts on the statement of revenue, expenses and changes in net position, are reported as non-operating revenue as required by GASB Statement No. 35 and recent updates in the GASB's *Implementation Guide*, including state appropriations, investment income, and Pell grants.

Cash and Cash Equivalents: For the purpose of the statements of cash flows, the College considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents include cash and money market funds, stated at cost which approximates fair value. All certificates of deposit are included in investments on the statement of net assets.

Accounts Receivable: Accounts receivable primarily consist of tuition and fee charges to students. Accounts receivable also include amounts due from federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts. Allowance is determined based on historical analysis.

Unearned Revenue: Unearned revenue consists of the unearned portion of student tuition and fees for the summer session, and all of the recorded student tuition and fees collected resulting from early registration for the fall session. Unearned revenue also includes amounts received from grant and contract sponsors that have not yet been earned.

Investments: The College accounts for its investments at fair value. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statements of revenue, expenses, and changes in net assets.

The restricted investments on the statement of net position consist of Capital Campaign funds that are to be used toward the debt service payments on the Series 2006 bonds. These funds were raised by the Edison Foundation and are transferred to the College annually.

Capital Assets: Capital assets are recorded at cost or, if acquired by gift, at fair value at the date of the gift. When capital assets are sold or otherwise disposed of, the net carrying value of such assets is removed from the accounts and the net investment in capital assets component of net position is adjusted accordingly. Capital assets, with the exception of land, are depreciated on the straight-line method over the following estimated useful lives:

Buildings and improvements	10 - 40 years
Student conference center	3 - 45 years
Center for excellence	45 years
Equipment and fixtures	3 - 20 years

The College's capitalization limit for equipment and furniture and fixtures is $5,000.

Grants and Scholarships: Student tuition and fees and bookstore revenue are presented net of grants and scholarships applied directly to student accounts. Grants and scholarships consist primarily of awards to students from the Federal Pell Grant Program. Payments made directly to students from grants and scholarships are presented as student aid.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (Continued)

Compensated Absences: Vested or accumulated vacation leave is recorded as an expenditure and liability of the current funds as the benefits accrue to employees. In accordance with the applicable accounting standards, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for an estimate of the amount of accumulated sick leave benefits that will be paid.

Use of Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Change in Accounting Principle: Effective July 1, 2012, The college implemented the provisions of Governmental Accounting Standards Board statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, into the definitions of the required components of the residual measure of net position, formerly net assets. This statement also provided a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position.

Reclassification: The June 30, 2012 accounts receivable and unearned revenue balances have been reclassified by approximately $2.5 million to conform to the current year presentation. These reclassifications had no impact on the total net position or the change in net position.

NOTE 2 - CASH AND INVESTMENTS

The College's Board of Trustees is responsible for establishing deposit and investment policies. Once established, the Board has delegated the day-to-day management to the Controller of the College. Deposit and investment policies are developed to ensure compliance with state laws and regulations as well as to establish and maintain sound financial management practices. In accordance with the State of Ohio's and the College's policy, the College is authorized to invest cash in certificates of deposit, repurchase agreements, United States Treasury securities, federal government agency securities backed by the full faith of the government, municipal securities, and the State Treasurer's investment pool.

Cash and Cash Equivalents: At June 30, 2013 and 2012, the carrying amount of the College's cash and cash equivalents was $3,311,834 and $1,775,202, respectively, (included in cash and cash equivalents in the statements of net position) and the bank balances were $3,595,252 and $2,195,386, respectively, that are placed with federally insured banks. The remaining balances of $345,241 at June 30, 2013 and 2012 were invested in United States government securities. These arrangements are in compliance with the Ohio Revised Code. Cash is generally in excess of the Federal Deposit Insurance Corporation's insurance limit. However, the College has not experienced any significant losses and does not believe it is subject to significant risk. These arrangements are in compliance with the Ohio Revised Code.

(Continued)

NOTE 2 - CASH AND INVESTMENTS (Continued)

Included in cash and cash equivalents are $12,240 and $12,231 at June 30, 2013 and 2012, respectively, which were on deposit in the State Treasurer's investment pool (STAR Ohio). STAR Ohio is an investment pool managed by the Ohio State Treasurer's office that allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the Securities and Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940. The College's deposit is valued at the pool's share price, which is the price the investment could be sold for on June 30, 2013 and 2012. STAR Ohio has an AAA rating.

Investments: Investments are stated at their fair value of $2,628,689 and are invested in certificates of deposit covered by federal depository insurance.

The fair value and cost of deposits and investments, by type, at June 30, 2013 and 2012 are as follows:

	2013	2012
Cash	$ 3,299,594	$ 1,762,971
STAR Ohio	12,240	12,231
Certificates of deposit	2,628,689	3,536,433
Total	$ 5,940,523	$ 5,311,635

NOTE 3 - ACCOUNTS RECEIVABLE

Receivables at June 30, 2013 and 2012 consist of billings for student fees and receivables arising from grants and are summarized as follows:

	2013	2012
Student charges	$ 1,057,885	$ 1,317,779
Post-secondary enrollment options program	1,623,542	1,916,466
Other	458,632	1,173,799
Allowance for doubtful accounts	(925,617)	(841,738)
Total	$ 2,214,442	$ 3,566,306

(Continued)

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in the capital assets and related accumulated depreciation during the 2013 and 2012 fiscal years:

	Balance June 30, 2012	Additions	Retirements	Balance June 30, 2013
Cost:				
Land	$ 688,414	$ -	$ -	$ 688,414
Land improvements	599,777	-	-	599,777
Buildings and improvements	13,845,430	-	-	13,845,430
Student conference center	6,208,972	-	-	6,208,972
Center for Excellence	7,138,503	-	-	7,138,503
Equipment	3,005,754	357,876	-	3,363,630
Vehicles	74,162	-	-	74,162
Total	31,561,012	357,876	-	31,918,888
Less accumulated depreciation:				
Land improvements	536,973	14,982	-	551,955
Buildings and improvements	7,100,090	425,373	-	7,525,463
Student conference center	2,825,020	169,610	-	2,994,630
Center for Excellence	824,310	158,635	-	982,945
Equipment	2,366,682	231,696	-	2,598,378
Vehicles	74,057	100	-	74,157
Total	13,727,132	1,000,396	-	14,727,528
Capital assets - Net	$17,833,880	$ (642,520)	$ -	$ 17,191,360

(Continued)

NOTE 4 - CAPITAL ASSETS (Continued)

	Balance June 30, 2011	Additions	Retirements	Balance June 30, 2012
Cost:				
Land	$ 688,414	$ -	$ -	$ 688,414
Land improvements	569,075	30,702	-	599,777
Buildings and improvements	13,211,081	634,349	-	13,845,430
Student conference center	6,208,972	-	-	6,208,972
Center for Excellence	7,138,503	-	-	7,138,503
Equipment	3,441,591	310,491	(746,328)	3,005,754
Vehicles	74,162	-	-	74,162
Total	31,331,798	975,542	(746,328)	31,561,012
Less accumulated depreciation:				
Land improvements	518,935	18,038	-	536,973
Buildings and improvements	6,688,850	411,240	-	7,100,090
Student conference center	2,655,411	169,609	-	2,825,020
Center for Excellence	665,677	158,633	-	824,310
Equipment	2,866,676	226,120	(726,114)	2,366,682
Vehicles	74,057	-	-	74,057
Total	13,469,606	983,640	(726,114)	13,727,132
Capital assets - Net	$17,862,192	$ (8,098)	$ (20,214)	$ 17,833,880

NOTE 5 - NONCURRENT LIABILITIES

Noncurrent liabilities as of June 30, 2013 and 2012 are summarized as follows:

	2013					
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Noncurrent Portion
Bond obligations	$3,350,000	$ -	$ 160,000	$3,190,000	$ 165,000	$3,025,000
Capital lease obligation	260,329	-	81,593	178,736	69,037	109,699
Total	3,610,329	-	241,593	3,368,736	234,037	3,134,699
Compensated absences	569,628	60,294	133,902	496,020	287,611	208,409
Total	$4,179,957	$ 60,294	$ 375,495	$3,864,756	$ 521,648	$3,343,108

(Continued)

NOTE 5 - NONCURRENT LIABILITIES (Continued)

	2012					
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Noncurrent Portion
Bond obligations	$3,505,000	$ -	$ 155,000	$3,350,000	$ 160,000	$3,190,000
Capital lease obligation	308,992	15,195	63,858	260,329	81,592	178,737
Total	3,813,992	15,195	218,858	3,610,329	241,592	3,368,737
Compensated absences	513,772	67,662	11,806	569,628	270,921	298,707
Total	$4,327,764	$ 82,857	$ 230,664	$4,179,957	$ 512,513	$3,667,444

During the year ended June 30, 2007, the College issued General Receipts Bonds, series 2006 for $4,060,000 that bear interest at rates between 4.0% to 5.0% and that mature in 2027. Proceeds were used for paying construction costs of the Emerson Center. The bonds are collateralized by a pledge of general receipts of the College.

The College entered into the capital lease during the year ended June 30, 2006 to acquire energy conservation equipment. Payment is made at a quarterly amount of $18,749 that includes interest at an annual rate of 3.907% over a 10-year term ending in 2016.

The annual debt service requirements to maturity for the bonds payable are as follows:

Year Ending June 30	Principal	Interest	Total
2014	$ 165,000	$ 144,208	$ 309,208
2015	175,000	137,189	312,189
2016	180,000	129,645	309,645
2017	190,000	121,070	311,070
2018	200,000	111,320	311,320
2019-2022	900,000	337,780	1,237,780
2023-2027	1,380,000	159,412	1,539,412
Total	$ 3,190,000	$ 1,140,624	$ 4,330,624

(Continued)

NOTE 5 - NONCURRENT LIABILITIES (Continued)

The following is a schedule of future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2013:

Year Ending June 30	
2014	$ 74,996
2015	74,996
2016	38,461
Total minimum lease payment	188,453
Less amount representing interest	9,717
Present value of future minimum lease payments	$ 178,736

Accrued compensated absences - The College provides vacation benefits to employees, as defined by each respective labor contract and administrative policy. The liability has been recorded based on the number of days available for each employee. Additionally, the College accrues unused sick days for those employees who have met the conditions of the plan at year end.

NOTE 6 - STATE SUPPORT

The College is a State-assisted institution of higher education which receives a student-based subsidy determined annually using a formula devised by the Ohio Board of Regents.

In addition to the student subsidies, the State of Ohio provides the funding for construction and renovation of major plant facilities on the College campus. The funding is obtained from the issuance of revenue bonds by the Ohio Public Facilities Commission (OPFC), which in turn provides for the construction and renovation of the facility by the Ohio Board of Regents. Upon completion of a construction project, the Board of Regents turns over control to the College which capitalizes the cost. Renovations are capitalized in the period incurred.

Neither the obligation for the revenue bonds issued by the OPFC nor the annual debt service charges for principal and interest on the bonds are reflected in the College's financial statements. These are currently being funded through appropriations to the Board of Regents by the Ohio General Assembly.

The facilities are not pledged as collateral for the revenue bonds. Instead, the bonds are supported by a pledge of monies in the Higher Education Bond Service Fund established in the custody of the Treasurer of State. If sufficient monies are not available from this fund, a requirement exists to assess a special student fee uniformly applicable to students in state-assisted institutions of higher education throughout the state.

(Continued)

NOTE 7 - LEASE AGREEMENTS

The College currently has a five-year lease agreement effective September 1, 2011 with Darke County Board of Commissioners for the facilities located in Greenville, Ohio with the option to renew for an additional five-year term. The annual rental expense under this agreement is $107,856. The annual rental expense under the additional five-year term is $112,170. College also has a five-year lease agreement effective April 19, 2012 for office equipment. The annual rental expense under the agreement is $64,668.

At June 30, 2013, minimum lease payments under this lease are as follows:

Year Ending June 30	
2014	$ 172,524
2015	172,524
2016	172,524
2017	165,346
2018	112,176
Thereafter	355,201
Total minimum lease payments	$ 1,150,295

NOTE 8 - RETIREMENT PLANS

College faculty participate in either the State Teachers Retirement System of Ohio (STRS) or alternative retirements plan (ARP). Substantially all other employees participate in either the Ohio Public Employees' Retirement System (OPERS) or the ARP. Both STRS and OPERS are state-wide, cost-sharing, multi-employer plans. OPERS and STRS provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits for STRS and OPERS is provided by state statute by Chapters 3307 and 145, respectively, of the Ohio Revised Code.

The financial statements and supplemental information for OPERS and STRS are made available for public inspection. The reports may be obtained by writing or calling:

OPERS
277 East Town Street
Columbus, OH 43215-4642
(614) 222-6705

STRS
275 East Broad Street
Columbus, OH 43215-3771
(614) 227-4002

The Ohio Revised Code provides statutory authority for employee and employer contributions. Effective January 1, 2010, the employee contribution rate was 10% for employees other than law enforcement. Effective January 1, 2010, the employer contribution rate for local government employers was 14%. The contribution requirements of plan members and the College are established and may be amended by state statute.

(Continued)

NOTE 8 - RETIREMENT PLANS (Continued)

The College's contributions to OPERS and STRS for the years ended June 30, 2013, 2012, and 2011 were as follows:

	Contribution	
Years	OPERS	STRS
2013	$ 507,196	$ 604,898
2012	499,248	637,044
2011	516,542	704,701

The contributions made by the College were equal to the required contributions for each year.

Certain full-time College faculty and unclassified staff have the option to choose the ARP in place of STRS or OPERS. The ARP is a defined contribution plan, which provides employees with the opportunity to establish individual retirement accounts with a defined group of investment options, with each participant having control of the assets and investment options associated with those assets. The administrators of the plan are the providers of the plan investment options. Authority to establish and amend benefits and contribution requirements for the ARP is provided by state statute per the Ohio Revised Code.

Under the provisions of ARP, the required contribution rates of plan participants are 10.0% of employees' covered compensation for employees who would otherwise participate in STRS or OPERS. The College contributes 10.5% of a participating faculty member's compensation and 13.23% of participating non-faculty member's compensation to the participant's account. The College is also required to contribute an additional 3.5% of employees' covered compensation to STRS and .77% of employees' covered compensation to OPERS. Plan participants' contributions to STRS and OPERS were $66,257 and $75,196 and the College contributions to the Plan providers amounted to $112,876 and $113,406, respectively, for the years ended June 30, 2013 and 2012. In addition, the amounts contributed to STRS and OPERS by the College on behalf of ARP participants were $18,650 and $22,593, respectively, for the years ended June 30, 2013 and 2012.

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

STRS provides other postemployment benefits to all retirees and their dependents, while OPERS provides postretirement healthcare coverage to age and service restraints (and dependents) with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is also available under OPERS. A portion of each employer's contributions is set aside for the funding of postretirement health care. For STRS, this rate was 1% of the total 14% while the OPERS rate was .77% of the total 14% for the year ended June 30, 2013.

The Ohio Revised Code provides the statutory authority for public employers to fund postretirement health care through their contributions to STRS and OPERS. Postretirement health care under STRS is financed on a pay-as-you-go basis. Net assets available in the health care reserve fund for STRS amounted to $3.1 billion as of June 30, 2012. The number of benefit recipients eligible for OPEB was 143,256 for STRS at June 30, 2012. The amount contributed by the College to STRS to fund these benefits was $43,207 for the year ended June 30, 2013.

(Continued)

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Postretirement health care under OPERS is advanced-funded on an actuarially determined basis. The actuarial value of OPERS net assets available for OPEB at December 31, 2012 is $12.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were $31.0 billion and $18.9 billion, respectively. The number of OPERS active contributing participants was 349,189 for the year ended December 31, 2012. For the year ended June 30, 2012, the College contributed $20,288 to OPERS for OPEB funding. Contributions equal the actuarially required contributions of the Plan for each year.

NOTE 10 - INSURANCE

The College maintains comprehensive insurance coverage with private carriers for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. The College also carries professional coverage for employees and its Board of Trustees. Over the past three years, settlement amounts related to these insured risks have been negligible.

NOTE 11 - CONTINGENCIES

The College receives significant financial assistance from numerous federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. It is the opinion of management that any potential disallowance of claims would not have a significant effect on the financial statements.

NOTE 12 - FEDERAL DIRECT LENDING PROGRAM

The College distributed $7,690,204 for student loans through the U.S. Department of Education federal direct lending program for the year ended June 30, 2013. The College distributed $8,115,334 for student loans through the U.S. Department of Education federal direct lending program for the year ended June 30, 2012. These distributions and related funding source are not included as expenses or revenue in the accompanying financial statements.

NOTE 13 - RELATED ORGANIZATION

The Edison Foundation, Inc. (the “Foundation”) is a separate not-for-profit entity organized for the purpose of promoting educational activities of the College. Since these resources held by the Foundation can be used only by and for the benefit of the College, the Foundation is considered a component unit of the College and is discretely presented in the College’s financial statements. The up to 25-member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Amounts transferred to the College from the Foundation are recorded as nonoperating gifts in the accompanying financial statements.

The Foundation reports under FASB standards, including Accounting Standards Codification 958-205 (previously FASB Statement No. 117), *Financial Reporting for Not-for-Profit Organizations.* As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation’s financial information in the College’s financial reporting entity for these differences. Complete financial statements for the Foundation can be obtained from Edison State Community College, 1973 Edison Drive, Piqua, OH 45356.

(Continued)

NOTE 13 - RELATED ORGANIZATION (Continued)

The following is a summary of the Foundation's significant accounting and reporting policies presented to assist the reader in interpreting the financial statements and other data in this report.

Cash and Cash Equivalents: The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Contributions: Donations are recorded as revenue in the year received or when a bequest is legally finalized. Unconditional pledges are recorded in the period that the pledges are received. Conditional pledges are recorded in the period in which the conditions have been met. Funds from pledges to be collected in future years are recorded at net present value. All pledges are net of an allowance for doubtful collections.

Pledges Receivable: As of June 30, 2013 and 2012, contributors to the Foundation have outstanding unconditional pledges totaling $110,000 and $224,750, respectively. Gross pledges receivable were discounted to a net present value of $208,769 as of June 30, 2012, which represents fair market value. The discount rate was 5 percent in 2012. An allowance for doubtful pledges of $3,300 and $6,263 has been applied to the gross receivable balance as of June 30, 2013 and 2012, respectively. The allowance is based upon management's judgment, past collection experience and other relevant factors. All pledges have been classified as temporarily restricted net assets since they will either expire or be fulfilled within a specified period of time. Net pledges are as follows:

	2013	2012
Less than one year	$ 106,700	$ 105,717
One to five years	-	96,790
Total	$ 106,700	$ 202,507

Investments: Investments are stated at fair value, and realized and unrealized gains and losses are reflected in the statements of revenue, expenses, and changes in net assets. Fair value is determined by market quotes. Donated investments are recorded at the fair market value at the time received. Realized gains or losses are determined based on the average cost method.

Investments by major types for the years ended June 30, 2013 and 2012 are as follows:

	2013	2012
Corporate bonds	$ 448,085	$ 564,526
Equities	514,578	334,968
Mutual funds - Fixed income	290,962	389,390
Mutual funds - Equities	395,024	169,999
Mutual funds - Real Estate Investment Trust	79,324	58,887
Total	$ 1,727,973	$ 1,517,769

(Continued)

NOTE 13 - RELATED ORGANIZATION (Continued)

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Foundation's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The following tables present information about the Foundation's assets measured at fair value on a recurring basis at June 30, 2013 and 2012 and the valuation techniques used by the Foundation to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. A quoted price in an active market provides the most reliable evidence of fair value. The Foundation has investments that are valued using Level 1 inputs, which are obtained directly from investment statements prepared by the institution holding the investments.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets or liabilities in active markets or non-active markets (markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which there is little information released to the public). An example of a Level 2 input would be a price quote from a brokered market.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability. However, the fair value measurement objective remains the same as it would for Level 1 and 2 inputs, in that it is based on an exit price from the perspective of a market participant that holds the asset or liability. In addition, Level 3 inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

(Continued)

NOTE 13 - RELATED ORGANIZATION (Continued)

	Fair Value Measurements at June 30, 2013		
	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:			
Fixed income - Domestic	$ 462,137	$ -	$ -
Fixed income - International	122,684	-	-
Fixed income - U.S. agencies	154,225	-	-
Equities - Domestic	848,349	-	-
Equities - International	61,254	-	-
Equities - REITS	79,324	-	-
Total	$ 1,727,973	$ -	$ -

	Fair Value Measurements at June 30, 2012		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:			
Fixed income - Domestic	$ 643,487	$ -	$ -
Fixed income - International	53,068	-	-
Fixed income - U.S. agencies	257,361	-	-
Equities - Domestic	464,315	-	-
Equities - International	40,651	-	-
Equities - REITS	58,887	-	-
Total	$ 1,517,769	$ -	$ -

Net realized and unrealized (losses) gains on investments were $60,904 and ($9,211) for the years ended June 30, 2013 and 2012, respectively. There were no capital gains distributions in either year.

Net Assets: Net assets are classified into three categories: (1) unrestricted net assets, which have no donor-imposed restrictions, (2) temporarily restricted net assets, which have donor-imposed restrictions for scholarships and capital improvements that will expire or be satisfied in the future, and (3) permanently restricted net assets, which have donor-imposed restrictions that neither expire by passage of time nor can be fulfilled by actions of the Foundation.

(Continued)

NOTE 14 - UPCOMING ACCOUNTING PRONOUNCEMENTS

Items Previously Reported as Assets and Liabilities: In March 2012, the GASB issued GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows and inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.

Accounting and Financial Reporting for Pensions: In June 2012, the GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The College is currently evaluating the impact this standard will have on the financial statements when adopted. The total pension liability will be computed on a different basis than the current actuarial accrued liability and the method of allocating this liability to each participating employer has not yet been determined, so the precise impact is not known. The provisions of this Statement are effective for financial statements for periods beginning after June 30, 2014.

(Continued)

SUPPLEMENTAL INFORMATION

EDISON STATE COMMUNITY COLLEGE
Board of Trustees and Administrative Personnel
June 30, 2013

Board of Trustees	**Title**	**Term of Office**
Mr. Jim Thompson	Chairman	2009-2015
Mrs. Mary K. Floyd	Trustee	2009-2015
Mr. Roger E. Luring	Trustee	2009-2015
Mr. Darryl D. Mehaffie	Vice Chairman	2011-2017
Mr. Thomas P. Milligan	Trustee	2011-2017
Mr. Tony Wendeln	Trustee	2011-2017
Mrs. Marvella Fletcher	Trustee	2013-2019
Dr. Christopher A. Grove	Trustee	2013-2019
Mr. Robinson W. Joslin	Trustee	2013-2019

College Administration	**Title**
Dr. Cristobal Valdez	President
Ms. Patti Ross	Senior Vice President for Academic Affairs
Mr. John Shishoff	Vice President of Administration and Finance
Mr. David Gansz	Vice President of Information Technology
Mrs. Sharon Farling	Interim Controller
Ms. Kathi Richards	Director of Financial Aid
Mrs. Linda Peltier	Vice President of Strategic Human Resources

Insurance
All employees were insured with WRM (Wright Risk Management) for $1,000,000. The effective date of the policy is May 1, 2013 to November 1, 2013.

Legal Counsel
Mike DeWine, Ohio Attorney General
Education Section
30 E. Broad St., 16th Floor
Columbus, OH 43215

College Location
1973 Edison Drive
Piqua, Ohio 45356

Plante & Moran, PLLC
3434 Granite Circle
Toledo, OH 43617
Tel: 419.843.6000
Fax: 419.843.6099
plantemoran.com

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Trustees
Edison State Community College

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Edison State Community College and its discretely presented component unit as of and for the year ended June 30, 2013, and related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 11, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Edison State Community College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

To Management and the Board of Trustees
Edison State Community College

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. (2013-001, 2013-002).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Edison State Community College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Edison State Community College's Response to Findings

Edison State Community College's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Edison State Community College's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

October 11, 2013

Plante & Moran, PLLC
3434 Granite Circle
Toledo, OH 43617
Tel: 419.843.6000
Fax: 419.843.6099
plantemoran.com

Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance

Independent Auditor's Report

To the Board of Trustees
Edison State Community College

Report on Compliance for Each Major Federal Program

We have audited Edison State Community College's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on its major federal program for the year ended June 30, 2013. Edison State Community College's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Edison State Community College's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Edison State Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Edison State Community College's compliance.

To the Board of Trustees
Edison State Community College

Opinion on Each Major Federal Program

In our opinion, Edison State Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Edison State Community College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Edison State Community College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

October 11, 2013

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Federal Agency/Program Title	CFDA Number	Award Number	Federal Expenditures
U.S. Department of Education:			
Student Financial Aid Cluster -			
Direct programs:			
Federal Supplemental Education Opportunity Grants	84.007		$ 61,650
Federal Work Study	84.033		84,883
Federal Pell Grant	84.063		5,082,181
Federal Direct Student Loans	84.268		7,690,204
Total Student Financial Aid Cluster			12,918,918
Passed-through State of Ohio Department of Education:			
Vocational Education	84.048	VENT-ITE-12/13-065763	5,587
Vocational Education	84.048	U.S.A.S.#524	63,548
Child Care and Development Block Grant	93.575	403948	5,639
Total passed through State of Ohio Department of Education			74,774
Total expenditures of federal awards			**$ 12,993,692**

See Note to Schedule of Expenditures of Federal Awards.

Note - Basis of Presentation and Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Edison State Community College under programs of the federal government for the year ended June 30, 2013. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in OMB Circular A-21, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Because the Schedule presents only a selected portion of the operations of Edison State Community College, it is not intended to and does not present the financial position, changes in net assets or cash flows, if applicable, of Edison State Community College. Pass-through entity identifying numbers are presented where available.

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? __X__ Yes ____ None reported

Noncompliance material to financial statements noted? ____ Yes __X__ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ____ Yes __X__ None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? ____ Yes __X__ No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
84.007, 84.033, 84.063, and 84.268	Student Financial Aid Cluster

Dollar threshold used to distinguish between type A and type B programs: $300,000

Auditee qualified as low-risk auditee? __X__ Yes ____ No

Section II - Financial Statement Audit Findings

Reference Number	Finding
2013-001	**Finding Type** - Significant deficiency

Criteria - Bank reconciliations should be reviewed by individuals independent of the reconciliation process.

Condition - The entity did not have proper review procedures in place for the bank reconciliations during the period when the Controller position was vacant.

Context - Bank reconciliations were not reviewed when the controller position was vacant.

Cause - The Controller position was vacant for a portion of the year and during that time the review of the bank reconciliations was not performed.

Effect - The bank reconciliation review procedures were not being performed during the transition period related to the Controller position.

Recommendation - We recommend that since the bank reconciliation preparer is not restricted from accessing cash receipts, cash disbursements and journal entry functions, an independent review of the bank reconciliations should be performed monthly and backup procedures should be in place for key positions.

Views of Responsible Officials and Planned Corrective Actions - The issue noted by the auditors is accurate. The College had a vacancy in the Controller position from February 2013 through September 2013. As the Controller has historically performed reviews of all bank reconciliations, the vacancy in this position caused a lapse in the review process. While early attempts were made to fill the vacant Controller position, a subsequent vacancy in the Vice President of Administration and Finance position caused all search efforts to be diverted to that position.

A new Controller was hired effective September 23, 2013. As the business office is now fully staffed, proper segregation of duties and review procedures have once again been implemented. Also, a policy was adopted whereby the Vice President of Administration and Finance will perform all necessary reviews should the Controller by unable to for any reason, thus ensuring that controls function regardless of any future staffing issues.

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2013-002	**Finding Type** - Significant deficiency

Criteria - The general ledger should reconcile to the schedule of federal expenditures and awards (SEFA).

Condition - The Pell awards per the general ledger did not agree to the SEFA.

Context - Total Pell awards for the year was approximately $5,082,000. There was a difference between the SEFA and the general ledger of approximately $106,000.

Cause - There was not a reconciliation between the general ledger and the SEFA performed.

Effect - There was an audit adjustment of approximately $106,000 to reconcile the general ledger to the schedule of federal expenditures.

Recommendation - We recommend reviewing the general ledger to ensure it reconciles to the SEFA.

Views of Responsible Officials and Planned Corrective Actions - The issue noted by the auditors is accurate. Due to the vacancy in the Controller position, the accounts in question were not properly reconciled to the SEFA.

A new controller, with experience in performing account reconciliations and preparing the SEFA, was hired effective September 23, 2013. The Controller will ensure that a reconciliation of all key accounts to the SEFA is performed in future periods.

Section III - Federal Program Audit Findings

None

EDISON STATE COMMUNITY COLLEGE

MIAMI COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
NOVEMBER 7, 2013

APPENDIX C

TEXT OF PROPOSED BOND COUNSEL OPINION

The form of the legal approving opinion of Peck, Shaffer & Williams, A division of Dinsmore & Shohl LLP, bond counsel, is set forth below. The actual opinion will be delivered on the date of delivery of the bonds referred to therein and may vary from the form set forth to reflect circumstances both factual and legal at the time of such delivery. Recirculation of the Official Statement shall create no implication that Peck, Shaffer & Williams, A division of Dinsmore & Shohl LLP has reviewed any of the matters set forth in such opinion subsequent to the date of such opinion.

[Date of Closing]

Fifth Third Securities, Inc.
Columbus, Ohio

We have examined the certified transcript of proceedings (the "Transcript") relative to the issue of $2,860,000 General Receipts Refunding Bonds, Series 2014 (the "Refunding Bonds") by Edison State Community College, Ohio (the "District"). The Refunding Bonds are authorized by a resolution adopted by the board of trustees of the District (the "Board") on June 25, 2014 (the "2014 Resolution," and together with the General Bond Resolution referenced therein, the "Bond Legislation"). The Transcript includes confirmed or executed counterparts of the Trust Agreement dated as of April 15, 2006 (the "Trust Agreement") between the District and U.S. Bank National Association, Cincinnati, Ohio, as trustee (the "Trustee"), as amended and supplemented to date and by the First Supplemental Trust Agreement and the Second Supplemental Trust Agreement, both dated April 15, 2006 and the Third Supplemental Trust Agreement dated as of September 9, 2014 (the Trust Agreement as so supplemented and amended, the "Agreement"), the Bond Legislation and other documents executed and delivered in connection with the issuance of the Refunding Bonds. We have also examined an executed and authenticated Refunding Bond of the first maturity.

The Refunding Bonds are issued under and pursuant to Sections 3357.112 and 3345.12 of the Ohio Revised Code (collectively, the "Act"), the Bond Legislation and the Agreement.

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

1. The Refunding Bonds constitute valid and binding special obligations of the District in accordance with the terms and provisions thereof. The principal and interest and any premium payable on the Refunding Bonds and on any other outstanding "Obligations" of the District heretofore and hereafter issued on a parity therewith pursuant to the Agreement (collectively, with the Refunding Bonds, the "Obligations") are payable equally and ratably from and secured by a pledge of and lien on (i) the moneys and investments in the Debt Service Account in the Debt Service Fund, as established by and as provided in the Agreement, and (ii) the gross amount of "General Receipts" of the District, as defined in and subject to the provisions of the Agreement. The Refunding Bonds are not debts, bonded indebtedness or general obligations of the State of Ohio or the District, and the full faith and credit thereof are not pledged thereto and the holders of the Refunding Bonds shall have no right to have any excises or taxes levied by the General Assembly of the State of Ohio or the District for the payment of principal or interest.

As provided in the Agreement, additional obligations of the District may hereafter be authorized and issued on a basis of parity with the Refunding Bonds.

2. The Agreement constitutes a valid and binding special obligation of the District enforceable in accordance with the terms and provisions thereof, assuming due authorization, execution and delivery of the Agreement by the Trustee.

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

The District has designated the Refunding Bonds as "qualified tax exempt obligations" with respect to investments by certain financial institutions under Section 265 of the Code.

4. Interest on the Refunding Bonds is exempt from taxes levied by the State of Ohio and its subdivisions, including the Ohio personal income tax, and is also excludible from the net income base used in calculating the Ohio corporate franchise tax.

It is to be understood that the rights of the owners of the Refunding Bonds and the enforceability, but not the validity, of the Refunding Bonds are subject to (i) bankruptcy, insolvency, arrangement, fraudulent conveyance or transfer, reorganization, moratorium and other laws in effect from time to time affecting creditors' rights, (ii) the application of equitable principles, whether considered at law or in equity, (iii) the exercise of judicial discretion and (iv) limitations on legal remedies against public entities.

We express no opinion regarding tax consequences arising with respect to purchasing, holding or disposing of the Refunding Bonds other than as expressly set forth herein.

The opinions rendered in this letter are given as of the date hereof, and no other opinion shall be implied or inferred as a result of anything contained in or omitted from this letter. We assume no obligation to revise or supplement the opinions in this letter to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may occur hereafter. We bring your attention to the fact that our legal opinions are expressions of our professional judgment and are not guarantees of result. Our engagement as bond counsel with respect to the Refunding Bonds has concluded on this date.

Very truly yours,

APPENDIX D

BOOK-ENTRY SYSTEM

Book-Entry System

The information set forth in the following numbered paragraphs is based on information provided by The Depository Trust Company in its "Sample Offering Document Language Describing DTC and Book-Entry-Only Issuance" (August 2011). As such, the District believes it to be reliable, but the District takes no responsibility for the accuracy or completeness of that information. It has been adapted to the Refunding Bond issue by substituting "Refunding Bonds" for "Securities," "District" for "Issuer" and "Trustee" for "registrar" and by the addition of the italicized language set forth in the text. See also the additional information following those numbered paragraphs.

1. The Depository Trust Company, New York, New York (DTC), will act as securities depository for the Refunding Bonds. The Refunding Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Refunding Bond certificate will be issued for each maturity of the Refunding Bonds *(and interest rate within a maturity)*, each in the principal amount of such maturity, and will be deposited with and retained in the custody of DTC or its agent.

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 securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has 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 and www.dtc.org. (These internet sites are included for reference only, and the information in these internet sites is not incorporated by reference in this Official Statement.)

3. Purchases of Refunding Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Refunding Bonds on DTC's records. The ownership interest of each actual purchaser of each Refunding 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 Refunding Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their

ownership interests in the Refunding Bonds, except in the event that use of the book-entry system for the Refunding Bonds is discontinued.

4. To facilitate subsequent transfers, all Refunding 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 Refunding 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 Refunding Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Refunding 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 Refunding Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Refunding Bonds, such as redemptions, tenders, defaults and proposed amendments to the Refunding Bond documents. For example, Beneficial Owners of Refunding Bonds may wish to ascertain that the nominee holding the Refunding 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 Trustee and request that copies of the notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Refunding 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 Refunding Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Refunding Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions and dividends (debt charges payments) on the Refunding Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on the 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, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividends (debt charges) to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, 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. (Not Applicable to the Refunding Bonds.)

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

11. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Refunding Bond certificates will be printed (or otherwise produced) and delivered to DTC. (See "Revision of Book-Entry System; Replacement Bonds" below.)

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

Direct Participants and Indirect Participants may impose service charges on Beneficial Owners in certain cases. Purchasers of book-entry interests should discuss that possibility with their brokers.

The District and the Trustee have no role in the purchases, transfers or sales of book-entry interests. The rights of Beneficial Owners to transfer or pledge their interests, and the manner of transferring or pledging those interests, may be subject to applicable state law. Beneficial Owners may want to discuss with their legal advisors the manner of transferring or pledging their book-entry interests.

The District and the Trustee have no responsibility or liability for any aspects of the records or notices relating to, or payments made on account of, beneficial ownership, or for maintaining, supervising or reviewing any records relating to that ownership.

The District and the Trustee cannot and do not give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute to the Beneficial Owners payments of debt charges on the Refunding Bonds made to DTC as the registered owner, or redemption, if any, or other notices, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve or act in a manner described in this Official Statement.

For all purposes under the Refunding Bond proceedings (except the Continuing Disclosure Agreement under which others as well as DTC may be considered an owner or holder of the Refunding Bonds, see "**Continuing Disclosure Agreement"**), DTC will be and will be considered by the District and the Trustee to be the owner or holder of the Refunding Bonds.

Beneficial Owners will not receive or have the right to receive physical delivery of Refunding Bonds, and, except to the extent they may have rights as Beneficial Owners or holders under the Continuing Disclosure Agreement, will not be or be considered by the District and the Trustee to be, and will not have any rights as, owners or holders of Refunding Bonds under the Refunding Bond proceedings.

Reference herein to "DTC" includes when applicable any successor securities depository and the nominee of the depository.

Revision of Book-Entry System; Replacement Bonds

The Refunding Bond proceedings provide for issuance of fully-registered Refunding Bonds (Replacement Bonds) directly to owners of Refunding Bonds other than DTC only in the event that DTC (or a successor securities depository) determines not to continue to act as securities depository for the Refunding Bonds. Upon occurrence of this event, the District may in its discretion attempt to have established a securities depository book-entry relationship with another securities depository. If the District does not do so, or is unable to do so, and after the Trustee has made provision for notification of the Beneficial Owners of the Refunding Bonds by appropriate notice to DTC, the District and the Trustee will authenticate and deliver Replacement Bonds of any one maturity and interest rate within a maturity, in authorized denominations, to or at the direction of any persons requesting such issuance, and, if the event is not the result of District action or inaction, at the expense (including legal and other costs) of those requesting.

Debt charges on Replacement Bonds will be payable when due without deduction for the services of the Trustee as paying agent. Principal of and any premium on Replacement Bonds will be payable when due to the registered owner upon presentation and surrender at the designated corporate trust office of the Trustee. Interest on Replacement Bonds will be payable on the interest payment date by the Trustee by transmittal to the registered owner of record on the Bond Register as of the 15th day of the calendar month next preceding the interest payment date. Replacement Bonds will be exchangeable for other Replacement Bonds of authorized denominations, and transferable, at the designated corporate trust office of the Trustee without charge (except taxes or governmental fees). Exchange or transfer of then-redeemable Replacement Bonds is not required to be made: (i) during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption and ending at the close of business on the day of the mailing, or (ii) of any Refunding Bond so selected for redemption in whole or in part.

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

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