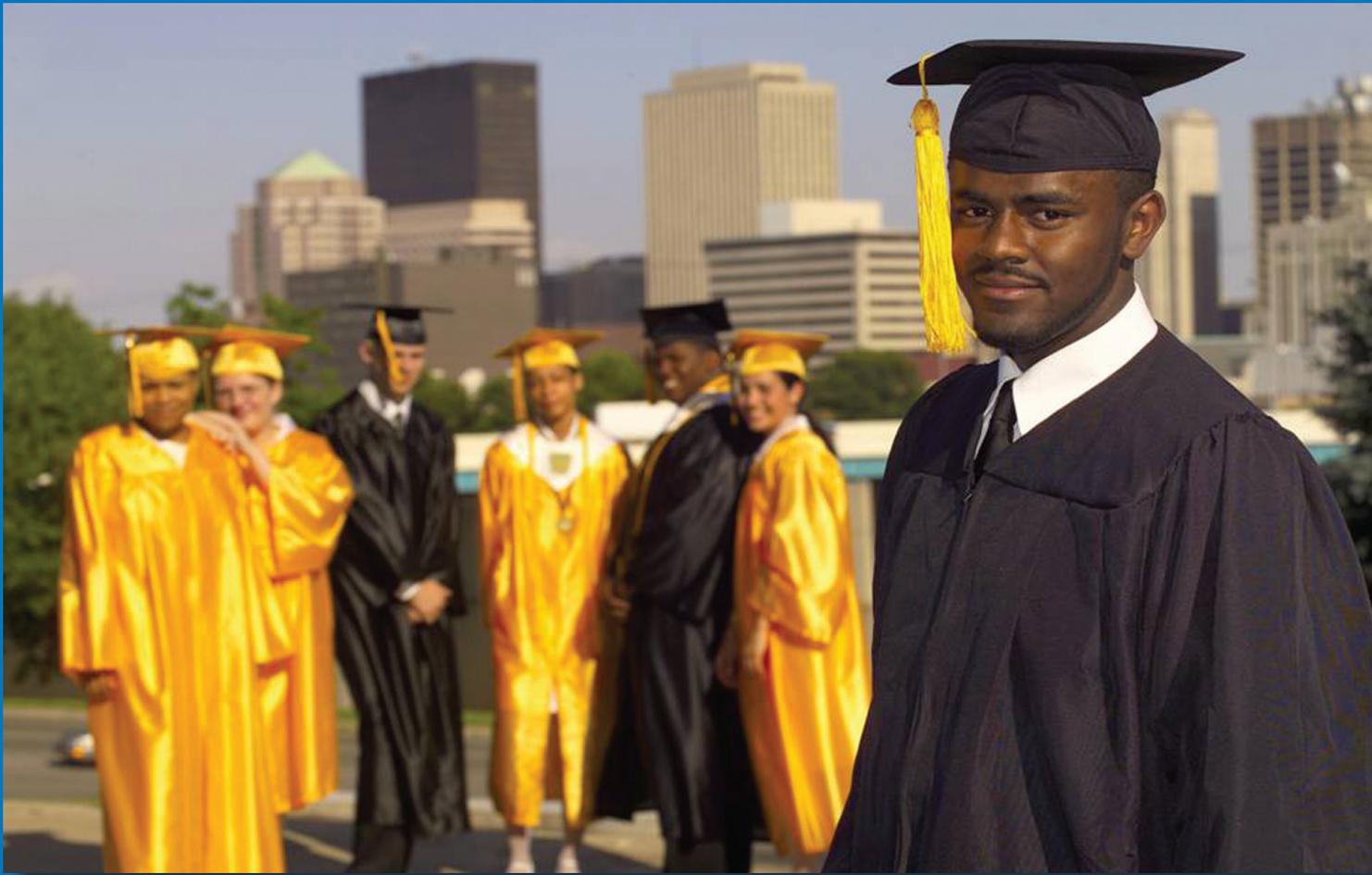




# Dayton City School District Comprehensive Annual Financial Report

for the Fiscal Year Ended June 30, 2010





**COMPREHENSIVE**  
**ANNUAL FINANCIAL REPORT**  
of the  
**DAYTON CITY SCHOOL DISTRICT**  
for the  
**FISCAL YEAR ENDED JUNE 30, 2010**

Prepared by

**TREASURER'S OFFICE**

Stanley E. Lucas  
Treasurer and Chief Financial Officer



115 South Ludlow Street  
Dayton, Ohio 45402



DAYTON BOARD OF EDUCATION  
JUNE 30, 2010



Jeffrey J. Mims, Jr.  
*President*



Nancy Nerny  
*Vice President*



Yvonne V. Isaacs  
*Board Member*



Joe Lacey  
*Board Member*



Ronald C. Lee  
*Board Member*



Sheila Taylor  
*Board Member*



Stacy M. Thompson  
*Board Member*



Kurt T. Stanic, Ed.D.  
*Superintendent*



Stanley E. Lucas  
*Treasurer*



# **INTRODUCTORY SECTION**



**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2010**

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MONTGOMERY COUNTY, OHIO  
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Lori L. Ward  
*Superintendent*  
Stanley E. Lucas  
*Treasurer*

115 S. Ludlow Street · Dayton OH 45402-1812

January 28, 2011

Board of Education  
Dayton City School District  
115 S. Ludlow Street  
Dayton, Ohio 45402

Dear Board Members:

The Comprehensive Annual Financial Report of the Dayton City School District (the “District”) for the fiscal year ended June 30, 2010, is hereby submitted. This report was prepared by the Treasurer’s Office and is completed to fulfill the State of Ohio’s requirement that annually the District has an audit of its financial statements prepared in accordance with Generally Accepted Accounting Principles.

The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, remains with the management of the District. To the best of our knowledge and belief, the data presented is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of the District’s operations as measured by the financial activity of its various funds. A comprehensive framework of internal control has been established to govern the processing and reporting of the District’s financial data. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Clark Schaefer Hackett & Co. has issued an unqualified opinion on the Dayton City School District’s financial statements for the year ended June 30, 2010. The report of the independent auditors is located in the front of the financial section of this report.

Management is required to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

## **DISTRICT PROFILE**

### *The School District and Its Facilities*

The Dayton City School District provides educational services, as mandated by state and/or federal laws, to children located within its boundaries. Within the boundaries of the District are the City of Dayton, Ohio and Harrison Township. For the 2009-2010 school year, the District was the 11<sup>th</sup> largest school district in the State of Ohio (among 612 school districts) with 13,664 enrolled students. The District operates 34 schools - 19 PreK-8 schools, 8 specialty schools, 1 alternative school, 4 high schools and 2 board sponsored community schools.

### *The Board of Education and the Administration*

The Board of Education (the "Board") of the Dayton City School District is a political and corporate body charged with the responsibility of managing and controlling affairs of the District. The District is also governed by the general laws of the State of Ohio as set forth in the Ohio Revised Code. The Board is comprised of seven members who are elected for overlapping four-year terms. Yvonne V. Isaacs has served on the Board for ten years and her term expires on December 31, 2013. Joe Lacey has served on the Board for six years and his term will expire December 31, 2013. Stacy Thompson was elected initially to a two year term after being appointed to the Board in 2006. She was reelected in 2009 and her term expires December 31, 2013. Jeffrey Mims was elected Board President on January 6, 2009. Mr. Mims's term will expire in 2011. Ronald Lee was appointed to fill Gail Littlejohn's unexpired term in November, 2007. He was reelected in 2009 and his term will expire on December 31, 2013. Nancy Nerny was elected to the board in 2007 and will serve a four year term which expires in 2011. Sheila Taylor was elected to the board in 2007 and will serve a four year term which expires in 2011.

The Superintendent of Schools is the chief executive officer of the District. The Superintendent has the responsibility for managing and placing teachers and other employees, assigning the pupils to the proper schools and grades, and performing such other duties as determined by the Board. Dr. Kurt T. Stanic served as Superintendent from January 1, 2009 to June 30, 2010 for a period of eighteen months. Dr. Stanic was the Superintendent of record for this reporting period. Lori Ward was appointed as the Superintendent on July 1, 2010.

The Treasurer is the chief financial officer of the District and is appointed by and reports directly to the board. Stanley E. Lucas has served as the District's treasurer since July 1, 2002. He was re-appointed to a five-year term of employment commencing January 1, 2009 and ending July 31, 2014. Mr. Lucas was the Treasurer of record for this reporting period.

### Employee Relations and Benefits

The District currently has 1,334 certificated employees (psychologists, teachers, reserve teachers, and administrators) and 838 classified employees (administrators, secretarial, clerical, custodial, and cafeteria workers, as well as bus drivers and other non-teaching, non-administrative personnel). Therefore, the District currently has approximately 2,172 full and part-time employees. In the fiscal year ended June 30, 2010, the District paid out from its general fund (state fiscal stabilization fund (SFSF) included) \$97,416,376 in salaries and \$39,169,757 in fringe benefits and other labor related costs. These expenditures are comprised of employer retirement contributions, workers' compensation insurance coverage, unemployment compensation, life insurance, medical and dental insurance premiums.

The Dayton Education Association represents the District's teachers and educational specialists. The non-professional employees of the District are represented for collective bargaining purposes by a variety of unions.

The clerical employees are represented by the Ohio Association of Public School Employees (OASPE), Clerical Chapter 158. The paraprofessional employees are represented by OAPSE, Paraprofessional Chapter 643. The transportation employees are represented by the OAPSE, Transportation Chapter 627. Educational interpreters are represented by OAPSE, Chapter 766. Mechanics are represented by OAPSE, Local 156. Lead child care teachers, mental health technicians, occupational therapists, and physical therapists are represented by OAPSE Local 191. Psychologists are represented by OAPSE, Local 766B. Head Start is represented by OAPSE, Local 155. The building trade's employees are represented by the Dayton Building and Construction Trades Council, AFL-CIO. The custodial and food service employees are represented by the Dayton Public Service Union (DPSU), Local #101, Ohio Council #8, AFSCME, AFL-CIO. The security resource officers are represented by DPSU, Local #101, Ohio Council #8, AFSCME, AFL-CIO. Reserve teachers are represented by the Dayton Chapter of Reserve Teachers. The collective bargaining agreements for Local 101, Local 156 and Local 627 expired during fiscal year 2010. All are currently in or scheduled to be in negotiations. All other agreements remain in effect.

The District provided life insurance and accidental death and dismemberment insurance to employees through the American United Life Insurance Company but changed to The Hartford Life Insurance Company effective January 1, 2009. The District has a self-funded health insurance coverage utilizing United Healthcare Insurance Company (UHC) as a third party administrator. The employee share of the total health care premium ranges from fifteen percent to thirty percent of the monthly premium depending upon plan option and single/family contract selected. Dental insurance was provided to eligible employees through a self-insurance plan administered by Mutual Health Services or a premium based policy issued by Assurant. The District provided dental insurance through Met Life.

All District employees participate in either the State Teachers Retirement System or the School Employees Retirement System. The current employer obligation for contributions is 14 percent of the employee's salary. Both retirement systems were created by and operate under Ohio law. The General Assembly could amend the format of either system and could revise rates or

methods of contribution to be made by the District in the future. The State Teachers Retirement System is applicable to all teachers, principals, supervisors and administrators who are required to hold a certificate issued by the State Department of Education. Other eligible employees are covered by the School Employees Retirement System. Pursuant to federal law, all District employees hired after March 31, 1986, are required to participate in the federal Medicare program, which currently requires employer and employee contributions each equal to 1.45 percent of the employee's wages in accordance to the FICA limit. Otherwise, District employees are not presently covered by the federal Social Security Act. The District's required contributions for pension obligations to the two retirement systems on behalf of its employees amounted to \$16,004,636 (excluding health care benefits) for the 2010 fiscal year.

## **ECONOMIC CONDITION AND OUTLOOK**

### *Local Property Taxes*

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

Taxes collected from real property (other than public utilities) in one calendar year are levied in the prior calendar year on assessed values as of January 1 of that prior year. Taxes collected from tangible personal property (other than public utilities) in one calendar year are levied in the same calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before December 31 of that calendar year, and at the tax rates determined in the preceding year. Public utility real and tangible personal property taxes collected in one calendar year are levied in the prior calendar year on assessed values determined as of December 31 of that second year proceeding the tax collection year.

The assessed valuation of real property is fixed at 35 percent of true value and is determined pursuant to rules of the State Tax Commissioner, except real property devoted exclusively to agricultural use which is assessed at not more than 35 percent of its current agricultural use value. Real property devoted exclusively to forestry or timber growing is taxed at 50 percent of the local tax rate upon its true value.

Tax year 2006 was the first year of the phased-in elimination of tangible personal property taxes on general businesses, telephone and telecommunications companies and railroads as a result of HB 66, approved by the state legislature in June 2005. The tax on general business and railroad property was eliminated in 2009, and the tax on telephone and telecommunications property will be eliminated by 2011. The tax is phased out by reducing the assessment rate on the property each year. In the first five years, school districts and local governments are reimbursed fully for the lost revenue, with the exception of the 1% annual decreases in listed percentages for inventory, which were in place before HB 66. The state property tax reimbursements will be fully phased out over seven years beginning in 2012. In fiscal year 2010, the district did receive \$13 million net of the charge-off from the state to reimburse the district for the loss of personal

property taxes due to the phase out. The reimbursements are recorded as part of allocations in intergovernmental revenue.

The first \$10,000 of taxable value of tangible personal property is exempted from taxation. Partial reimbursement of reduced collections resulting from the partial exemption is paid from State sources.

The General Assembly has periodically exercised its power to revise the laws applicable to the determination of assessed valuation of taxable property and the amount of receipts to be produced by taxes levied on that property, and may continue to make similar revisions.

Ohio law has a mechanism that is intended to negate increases in taxes resulting from increases in the true value of real property due solely to inflation. The law grants tax reduction factors to offset increases in taxes resulting from increases in the true value of real property. Legislation implementing a 1980 constitutional amendment classifies real property between (i) residential and agricultural and (ii) all other real property, and provides for tax reduction factors to be separately computed for and applied to each class. These reduction factors apply to certain voted levies on real property and do not apply to un-voted tax levies or voted tax levies to pay debt service on general obligation debt.

### School Foundation

The State's School Foundation Program is another major source of revenue for the District's general fund. The State assists public school districts under a statutory program, which includes direct payments to districts based upon a statutory formula. Such payments are made through the School Foundation Program established by the Ohio Revised Code (the "Code"). School Foundation Program funds distributed to a school district are required to be used for current operating expenses, unless specifically allocated by the State for some other purposes.

Basic eligibility for School Foundation Program payments is based on a school district's compliance with State-mandated minimum standards. The District is in compliance with those standards and believes it will remain in good standing for the foreseeable future.

On December 3, 2003, the Ohio Supreme Court issued its latest opinion regarding the State of Ohio's funding plan. It had been argued that the dependence on property taxes puts school districts with low property values at a disadvantage, because tax rates must be higher than in districts with higher property values to raise a similar amount of money. The Supreme Court ruled once again that the State's school funding plan is unconstitutional, but ended its control without prescribing a solution or ordering state officials back to the court. The Court did direct the Ohio General Assembly to enact a school-funding plan that is thorough and efficient.

This was the fourth time the Ohio Supreme Court majority has found the school funding unconstitutional. The Court did not indicate any enforcement measures to ensure that the state administration overhauls the current system. Therefore, as of the date of these financial statements, the District is unable to determine the future impact of this decision on State funding and on its financial operations.

### *Local Economy*

The historic first flight of Dayton residents Orville and Wilbur Wright, the development of the cash register into the current NCR Corporation, the invention of the electric automobile starter, and other advances in automotive design provide the historic basis for the Dayton area economy.

### *Economic Development*

In 2010, on *Forbes* magazine's Best Places for Business and Careers in the United States, the city of Dayton ranked 164. *Forbes'* ranking of the 200 largest metropolitan areas, takes into account employee income, job growth, and costs of doing business, including process of labor, energy, taxes and office space. The magazine also factors in regional crime rates, qualifications of the available labor pool and housing costs.

### *Automotive Manufacturing*

Dayton's long history of automotive manufacturing and its location at the intersection of interstates 70 and 75 made this region a very attractive location for the automotive industry.

Area manufacturers weathered another tough financial year, influenced by fierce global competition and declining domestic automobile production. In the Dayton region, manufacturing employment has fallen by 27.0% since 2001. The explanation for this discrepancy in job loss rates is tied to Dayton's disproportionately high number of manufacturing jobs and ties to the U.S. automobile industry.

The "Big Three" U.S. automaker's declining sales and domestic automobile production has greatly impacted this region. General Motors recent decision to eliminate production at the Moraine assembly plant and the insolvency of Delphi has contributed to further workforce reductions.

### *Tooling & Machining*

The Dayton region is one of North America's largest centers for tooling and machining technology. More than 800 companies employing 26,000 people provide service to a diverse client base – from automotive to aerospace, from the computer industry to the growing medical industry.

The Dayton region is home to a vital and active Tooling and Machining Association. The Dayton Tooling and Machining Association is one of the oldest of its type in the United States and works actively to improve the competitiveness of its membership.

Local universities, colleges and trade schools work closely with the tooling and machining industry, developing world-class training programs in first-class facilities, utilizing a framework of national skill standards (NIMS). Sinclair Community College's Step II program has been widely recognized as an exceptional source for new talent in the field.

### *Aerospace Industry and Wright-Patterson Air Force Base*

A major catalyst for growth in the Dayton area has been and continues to be Wright-Patterson Air Force Base – an important and unique U.S. Air Force Base. Wright Patterson employs almost one of every twelve people working in the greater Dayton area. The largest single-site employer in Ohio with more than 25,000 military and civilian employees, the Base is headquarters for the Aeronautical Systems Center (ASC) – the foremost aeronautical acquisition center in the U.S. Air Force.

The 2005 Defense Base Realignment and Closure (“BRAC”) Commission recommendations will bring about 1200 new military and civilian positions to Wright Patterson Air Force Base. The base will become the home for Centers of Excellence for Human Performance and Sensors Research employing highly specialized personnel. Construction and transition activities will continue until 2011

### *Research and Development*

Miami Valley Research Park, supported by the Miami Valley Research Foundation, a private, nonprofit corporation is a vital resource for the metropolitan region. The 1,500 - acre park is a university –related facility that is the site of corporate and government research firms. The Research Park’s goal is to promote research, technology, and science, while helping to create and preserve employment opportunities.

### *Technology Transfer*

A number of organizations work to provide an environment for technology transfer, taking institutional ideas and products to the market. These include the Wright Technology Network (WTN) that facilitates technology transfer from Wright-Patterson Air Force Base to partners in the private sector. The National Center for Industrial Competitiveness (NCIC) works to improve regional industrial competitiveness by leveraging federal and state funds to encourage long-term economic growth. The Edison Materials Technology Center (EMTEC), a consortium of business, industrial, academic, government and civic members links Ohio’s top materials research institutions with the industrial sector to transfer technological advances in materials processing into commercial products and processes.

### *Information Technology/Health Care*

The information technology industry has a long history in Dayton. NCR, a worldwide leader in computer technology and applications, recently announced that it will move its corporate headquarters from Dayton to Duluth, Georgia, taking with it more than one thousand jobs. Reynolds and Reynolds, Lexis-Nexis and a host of other IT companies however still call the Dayton region home. In addition there are two major health care networks – Premier Health Partners and Kettering Medical Network employ over 19,000 and are nationally recognized for their quality of care. Area health care organizations have been steadily expanding both their physical facilities and services offered. Technological advances have been readily incorporated into Dayton area hospitals, making this economic sector one of the most promising for the region.

### *Distribution and Warehousing*

The Dayton International Airport is an ideal location for cargo and freight operations due to its proximity to the Crossroads of America, I-70 and I-75 intersection. Passenger traffic at the airport with 10 airlines providing non-stop service to 21 major U.S. cities continued this past year to increase by 2.8%. Air cargo dropped off significantly due to the absence of Emery Worldwide, however The Dayton International Airport has become a significant regional air freight hub hosting: Aviation Facilities Company Inc, Fed Ex, UPS Airlines and Excel Global.

### *Higher Education Opportunities*

There are 22 nationally recognized colleges and universities in the Dayton region. The Dayton region was ranked 5<sup>th</sup> in the country in the number of science and engineering degrees granted annually. Due to the availability of educational facilities with a wide variety of educational and interdisciplinary research programs, Dayton has a ready resource of highly qualified professional employees to support area businesses.

### *Dayton Area Economy*

According to the Dayton Area Chamber of Commerce, the Dayton region has been experiencing a decline in our employment base due in part to the Dayton area's concentration in the manufacturing industry. The unemployment rate is around 13% which is higher than the state average. The area has seen several major companies exit Dayton. The Delphi plant and NCR have moved affecting 1700 workers. NCR's departure marked Dayton's only Fortune 500 headquarters. Manufacturing jobs have been leaving Dayton for 30 years. NCR's departure marks the end of an era. While there has been job loss over the past year, the fact remains that there has been employment growth in the region. Industry sectors such as Education, Health Services, Professional and Business Services and Defense have all seen employment growth. The Dayton region is transitioning from a heavy emphasis in manufacturing industries to one of high tech/service producing industries. As we move further along in this transition, the economy will grow stronger as new employment opportunities present themselves.

## **MAJOR INITIATIVES**

During our successful 2008 levy campaign, the Dayton Board of Education made a Contract with the Community to demonstrate that we are committed to becoming a more effective, efficient, and transparent educational enterprise. At that time, we sought candid input from parents; community members; business, labor, civic and neighborhood leaders; the faith community; DPS employees; and many others. This information was a rich resource in developing our strategic plan for success.

The plan was developed to take us from where we are now to where we want to be. *Our vision is to be an innovative district of champions where students are academically and culturally prepared by a team committed to developing critical thinkers and productive citizens ready to serve the world community.* Its five strategic goals outline our areas of focus moving forward:

**High Quality Education:** Provide high quality education for college and careers.

**Safe Environment:** Guarantee that our schools are safe and secure.

**Excellent Customer Service:** Provide excellent customer service, both internally and externally.

**Fiscal Responsibility:** Demonstrate fiscally responsible practices.

**Community Support:** Earn the trust and support of the entire community we serve.

Dayton's future depends on the sustained progress of its public school system. When we have a road map, we not only know how to achieve our goals, but also hold ourselves accountable to the benchmarks by which we measure our progress.

The District has adopted strategic initiatives that guides its efforts for continuous improvement. The mission statement of the District currently states that:

*"The mission of the Dayton Public Schools is to guarantee a quality education for every student, every day."*

### School District Initiatives

The District's board and superintendent have established eight district-wide strategic initiatives focused on higher student achievement. The initiatives provide a clear and consistent focus on student achievement, set high expectations for students and staff, and serve as the basis for future District decision-making. The District's eight strategic initiatives are literacy and mathematics, professional development, student behavior, accountability, equity, parent and family involvement, civic capacity and organizational design and development.

The District's literacy program improves the level of reading and writing skills. District students posted some of the highest reading scores gains in district history and met expectations set by the federal No Child Left Behind (NCLB) law. Students also made unprecedented gains in math proficiency. Dayton Public Schools (DPS) had the most improved graduation rate of any Ohio urban district. With student achievement as a central focus, professional development was offered to all District personnel. Through the professional development program, teachers and paraprofessionals were helped to meet the highly qualified teacher mandates under the federal NCLB legislation. The Student Code of Conduct manual has been revised to ensure uniform and consistent enforcement district-wide. The State Report Card indicates Dayton's student attendance rate continued to improve to 91.3% in 2009 as a direct result of the District's truancy program and aggressive marketing programs. The District has implemented alternative learning approaches that meet the needs of students with chronic behavior problems.

The equity initiative will ensure that all students have the resources they need. This initiative calls for tracking concerns about racial and economic equity. The goal is to flow resources to schools that have particular obstacles such as high poverty rates that hinder efforts to provide instruction of equal quality compared to other District schools. The parent and family involvement initiative is designed to strengthen partnerships between home and school by training volunteers and instituting more parent-school contacts. The civic capacity initiative goal is to nurture mutually beneficial school-community relationships. This concept aims to build partnerships with business, civic groups, non-profit organizations, colleges, churches and others in the community to support the District's academic goals. Initial tasks will be to devise a profile

for a “successful Dayton Public Schools graduate” and a “strong neighborhood school” that school officials can use to shape future programs. The organizational design and development initiative plans to ensure effective and efficient operations that support District goals. This initiative formalizes efforts to upgrade the District’s management approach, promising revised job descriptions, new program manuals and improved accountability. These additional measures are meant to enhance the original reform initiatives, rather than replace them.

The Dayton Board of Education at its October 7, 2008, meeting pledged to improve student achievement while holding down costs, two foundational elements of its contract with the community. The contract sets hard benchmarks that Dayton Public Schools must meet before considering any future levy request of district voters. It is the result of a six-month study of operations and instructional programs in collaboration with the Community Leadership Committee, comprised of Dayton’s business leaders. The contract also provides for an Accountability Panel of business and community leaders to oversee District progress in the areas studied and report progress regularly to the community at large.

In August, 2008 the Dayton Board of Education approved a 4.9 mill continuing operating levy to be placed on the November, 2008 general election ballot. The levy was overwhelmingly affirmed by the community with a 57 percent favorable vote. The new levy will generate approximately \$9.3 million in additional tax receipts annually and is used primarily to maintain current educational programs and after-school activities.

#### *Comprehensive Continuous Improvement Plan*

In order to measure against the strategic plan the District has adopted a Comprehensive Continuous Improvement Plan (C.C.I.P.). This C.C.I.P. helps fulfill the expectation of our community that we continue to provide objective data about student achievement to support school-community planning and decision-making. The leadership of the District is committed to the academic achievement of all students in general and to closing the achievement gap between African American and European American students in particular. To achieve these student achievement goals requires a real commitment to establish a vital curriculum and to structure the resources of the District in ways that maximize the impact of the proposed instructional practices.

Many positive initiatives are being infused into the District’s focus for improving academic achievement. A major underlying thrust for these initiatives will be the alignment of the curriculum to the State Academic Content Standards. Each content area supervisor, along with key District stakeholders, engages in curriculum development and design to ensure alignment to state and national standards. In an effort to solidify and broaden the comprehensiveness of the District’s focus on improvement, the District’s Deputy Superintendent spearheads several committees designed to develop and implement action plans for addressing state aligned District goals and District initiatives.

The District's C.C.I.P. complies with Ohio's accountability law. It is a public statement of what is important for students in our District to learn. This plan also describes what evidence we are willing to accept to determine that students are learning.

The C.C.I.P provides a format that enables the District to address significant teaching, learning, and accountability issues facing us. The heart of the plan is composed of "gain targets" that reflect what students are expected to achieve on the 27 performance indicators. Each school has developed a school improvement plan that outlines areas of concentrated improvement efforts. School plans must address all indicators on the state report card document.

The school improvement planning process has been an annual requirement in the Dayton Public School District since 1993. This process has been aligned with the District's strategic plan. Student test results are disaggregated and analyzed to identify areas of and strategies for improvement. Several types of assessments are used to monitor individual student progress and to assure provision of appropriate instructional strategies.

Results of both District and school improvement plans, supported by administrative work plans of instructional support staff, will be publicly reported.

This financial report is a contribution to the satisfaction of a goal of the District reform initiatives, which is to ensure that the financial resources are aligned with the District objectives.

#### *Information Technology Outsourcing and Systems Integration Agreement*

In 2005 the District issued a RFP for managed IT Services and awarded a contract to Cincinnati Bell Technology Solutions, formerly Broadwing IT Services. This contract was for a base term of 3 years and two two-year option years.

The scope of work to be delivered to the District will be presented in five broad categories including systems management, integration consulting, systems integration options, operations, telecommunications, additional service and technology solutions. The scope of administrative systems support includes core financial applications, human resources, student information systems and network systems. The administrative system consists of a core set of integrated financial application modules including general ledger, budgeting, purchasing, accounts payable, accounts receivable, warehouse management and fixed assets. The administrative system also consists of a set of highly integrated personnel and payroll related application modules such as applicant tracking, personnel records, time and leave accounting, payroll, substitute (reserve) teacher management and position control. Functional components of the student information system include student demographics, enrollment and registration, scheduling, grade reporting, achievement history and transcripts, daily and period attendance, discipline and central database. The local area network (LAN) infrastructure provides connectivity within administrative offices of each facility on an AS/400 host connected to the wide area network (WAN).

### The Education Foundation Fund

Ohio Revised Code Section 3315.40 grants to boards of education the authority to establish an education foundation fund. It was the recommendation of the Dayton Board of Education at their December 2, 1992, meeting to establish "The Dayton Public School Fund" to provide significant, long-term financial resources to accelerate and sustain continuous improvement toward fulfilling the District's mission and vision of excellence. It was also recommended that the Dayton Board of Education, pursuant to Ohio Revised Code Section 3315.41, appoint the Dayton Foundation as fiscal agent.

## **RELEVANT FINANCIAL INFORMATION**

### Financial Management System

The Comprehensive Information Management for Schools III, known by the acronym CIMS III, includes the following applications: Financial Management System (FMS); Employee Management System (EMS); Fixed Asset Inventory System (FAS); and Human Resource Management System (HMS). The FMS and FAS applications were implemented in July 1997 and May 1998, respectively. Due to the specific requirements of the warehouse operation, Gateway warehouse software was chosen and is interfaced with the Financial Management System.

The Financial Management System is a modified double-entry accrual accounting system designed for governmental accounting organizations. The FMS application consists of six integrated modules that share information. These modules include: (1) general ledger, (2) purchasing, (3) receiving, (4) accounts payable, (5) cash disbursements, and (6) cash receipts. This system improved our ability to meet Uniform School Accounting System account code format without the use of conversion tables. It also allows for electronic entry of purchase orders from all buildings district-wide. The addition of the cash receipts module has enhanced our internal controls by providing an electronic cash receipts journal that is integrated with the general ledger.

### Fiscal Management

The Treasurer, as chief financial officer of the Dayton Board of Education and the District, is responsible for receiving, maintaining custody, disbursing and properly reporting all funds of the Board.

### Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. However, individual cost centers are budgeted at the beginning of the fiscal year and are monitored during the year to ensure budgetary compliance. The District maintains an

encumbrance accounting system as one technique of accomplishing budgetary control at the account level. Unencumbered appropriation balances are reviewed prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year- end are carried forward to succeeding years and are not re-appropriated.

### Cash Management/Investment Policy

The District has revised its investment policy to update the District's investment options to correspond to changes in state law, including a provision for investment of inactive funds. Fifth Third Bank is serving as master custodian for some deposits. The District has also entered into Investment Management Agreements with the following six major financial institutions: JPMorgan (Bank One), National City Bank, Victory Capital Management, Fifth Third Bank, Merrill Lynch, and Salomon Smith Barney Investment.

The District invests in various government securities, certificates of deposit, mutual funds and Star Ohio (State Treasury Investment Pool). The District interprets the limits on Federal guaranteed investments, banker's acceptances, commercial paper and all other legal investments very conservatively. No money of the District has ever been invested in interest-only obligations, reverse-purchase obligations, inverse floater obligations, or other investment vehicles commonly referred to as derivative investments. No moneys of the District are invested in obligations which mature later than the time at which it reasonably expected that the District will need access to the money in order to meet current financial commitments. The Treasurer/CFO has attended special training in all of the investment areas to assure compliance with the conservative investment philosophy of the District. All investments are transacted with banks or other financial institutions operating in the state. The amount of investment income recorded for the District in fiscal year 2010 was \$1,391,881. A more detailed description of the District's investment functions is described in Note 6 to the basic financial statements financial statements.

## **AWARDS AND ACNOWLEDGEMENTS**

### Awards

#### *GFOA Certificate of Achievement*

The Governmental Finance Officers Association of the United States and Canada is a nonprofit association founded in 1906 that serves approximately 12,000 governmental finance professionals. For the eighteenth consecutive year, Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This honor is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid only for a period of one year. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

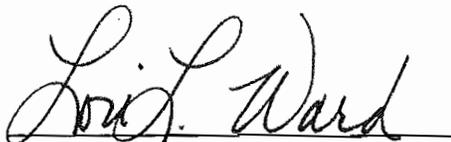
*ASBO Certificate of Excellence*

The Association of School Business Officials International, a professional organization founded in 1910, also presented the District with a Certificate of Excellence in Financial Reporting Award for the preparation and issuance of the fiscal year 2009 school system comprehensive annual financial report. This award is granted only after an intensive review of the financial report by an expert ASBO Panel of Review consisting of certified public accountants and practicing school business officials. Receiving this award is recognition that a school system has met the highest standards of excellence in school finance reporting.

A certificate of excellence is valid for one year only. We believe our current report continues to conform to the standards set by the ASBO Panel of Review, and we are submitting it to ASBO to determine its eligibility for another award.

*Acknowledgments*

The preparation of this report could not have been accomplished without the efficient and dedicated services of the staff of the Treasurer's Office. We want to express our appreciation to all that assisted and contributed to its preparation. A special note of appreciation is extended to the staff of Local Government Services (LGS), State of Ohio, for their consultant services. We would like to acknowledge all members of the Board who have expressed their interest and support in planning and conducting the financial operations of the District in a fiscally responsible, professional and progressive manner.



Lori L. Ward  
Superintendent



Stanley E. Lucas  
Treasurer/Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Dayton City School District  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**DAYTON CITY SCHOOL DISTRICT**

**For its Comprehensive Annual Financial Report (CAFR)**

For the Fiscal Year Ended June 30, 2009

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**BOARD MEMBERS-ELECTED OFFICIALS  
JUNE 30, 2010**

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<u>Name</u>	<u>Began Service as a Board Member</u>	<u>Term Expires December 31</u>
Jeffrey J. Mims, President	2007	2011
Nancy Nerny, Vice-President	2008	2011
Yvonne V. Isaacs	2002	2013
Joseph Lacey	2006	2013
Ronald C. Lee	2007	2013
Sheila Taylor	2008	2011
Stacy M. Thompson	2006	2013

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**CABINET MEMBERS  
JUNE 30, 2010**

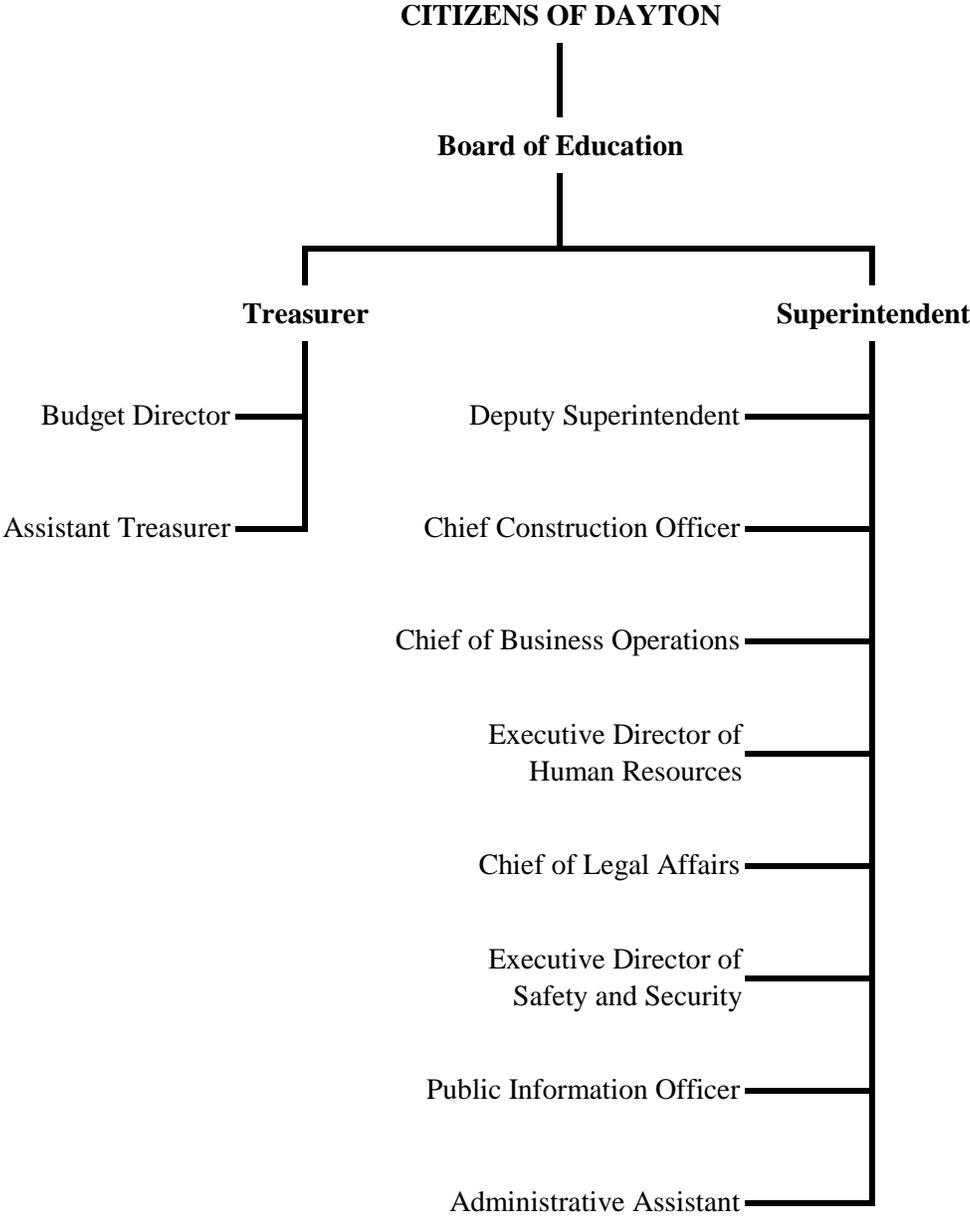
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Kurt T. Stanic, Ed.D.	Superintendent
Stanley E. Lucas	Treasurer
Lori L. Ward	Deputy to the Superintendent
Jane McGee-Rafal	Chief Academic Officer
John H. Carr, AIA	Chief Construction Office
John Concannon, J.D.	Chief of Legal Operations
Jill Moberley	Public Information Officer
M. Edward Sweetnich	Executive Director, Human Resources
Colleen S. Wells	Administrative Assistant to the Superintendent

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**ORGANIZATIONAL CHART  
JUNE 30, 2010**

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DAYTON



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PUBLIC SCHOOLS

## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Board of Education  
Dayton City School District  
115 South Ludlow Street  
Dayton, Ohio 45402

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Dayton City School District (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2011, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 11, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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springfield, oh 45503

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f. 937.399.5433

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
January 28, 2011

# DAYTON CITY SCHOOL DISTRICT

Montgomery County, Ohio

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010  
Unaudited

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The discussion and analysis of the Dayton City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

## Financial Highlights

Key financial highlights for fiscal year 2010 are as follows:

### *Overall:*

- Total net assets increased \$14.8 million, which represents a 4.1 percent increase from fiscal year 2009.
- Total assets of governmental activities increased by \$19.1 million from those reported at June 30, 2009. The primary factor of the increase was the addition of capital assets associated with the school facilities construction project at June 30, 2010 as compared to those reported in the prior fiscal year.
- General revenues accounted for \$241.3 million or 79.5 percent of total revenue. Program specific revenues in the form of charges for services and sales, and operating grants and contributions account for \$62.2 million or 20.5 percent of total revenues of \$303.5 million.
- The General Fund reported unreserved, undesignated fund balance of \$961,061 at June 30, 2010 compared to \$279,230 reported one year prior.
- During fiscal year 2010, work continued on the \$628 million school facilities project which will eventually replace or renovate all instructional facilities within the School District. As of June 30, 2010, 15 new school facilities have been opened, with one being opened during the current fiscal year. The total cost capitalized for the school facilities was \$36.8 million for buildings and \$ 748,530 for equipment. Most of these additions to both buildings and equipments is mainly due to the completion of construction in progress which is shown as a deletion of \$35.5 million. In addition, another \$74.4 million in construction in progress and \$31 thousand in land acquisition costs was capitalized during fiscal year 2010 for the school facilities project.

## Using this Comprehensive Annual Financial Report (CAFR)

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

The statement of net assets and the statement of activities provide information about the activities of the whole School District, presenting both an aggregated view of the School District's finances and a longer-term view of those statements. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds, major funds, with all

**DAYTON CITY SCHOOL DISTRICT**  
Montgomery County, Ohio

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010  
Unaudited

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other nonmajor funds presented in total in one column. In the case of Dayton City School District, the General, Bond Retirement, and Classroom Facilities Funds are reported as major funds.

**Reporting the School District as a Whole**

*Statement of Net Assets and the Statement of Activities*

While this document contains a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2010?" The statement of net assets and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net assets and the statement of activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services occur, including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The School District does not have any business-type activities. The internal service fund type is reported within the governmental activities of the School District.

**Reporting the School District's Most Significant Funds**

*Fund Financial Statements*

Fund financial reports are presented after the statement of activities and provide detailed information about each major fund. The major funds of the School District include the General Fund, Bond Retirement Debt Service Fund, and Classroom Facilities Capital Projects Fund. The School District uses many funds to account for a multitude of financial transactions. However, the fund financial statements focus on the School District's most significant funds, and therefore only the major funds are presented separate from the other governmental funds.

Governmental Funds

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

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010  
Unaudited

differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is reconciled in the fund financial statements.

Proprietary Funds

Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. Internal service funds are used to report activities that provide services to the School District's other funds and departments.

Fiduciary Funds

The School District reports one agency fund. The activity of this fund is reported in the statement of fiduciary assets and liabilities. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

**The School District as a Whole**

Recall that the statement of net assets provides the perspective of the School District as a whole. In the case of the Dayton City School District, assets exceeded liabilities by approximately \$379.6 million at June 30, 2010.

Table 1 provides a summary of the School District's net assets for 2010 compared to 2009:

TABLE 1  
Net Assets (in 000's)

	<u>2010</u>	<u>2009</u>	<u>Change</u>
<i>Assets:</i>			
Current and other Assets	\$ 312,620	\$ 365,609	\$ (52,989)
Capital Assets	<u>424,314</u>	<u>352,262</u>	<u>72,052</u>
Total Assets	<u>736,934</u>	<u>717,871</u>	<u>19,063</u>
<i>Liabilities:</i>			
Current and Other Liabilities	77,546	87,435	(9,889)
Long-Term Liabilities	<u>279,770</u>	<u>265,639</u>	<u>14,131</u>
Total Liabilities	<u>357,316</u>	<u>353,074</u>	<u>4,242</u>
<i>Net Assets:</i>			
Invested in Capital Assets, Net of Debt	274,083	204,396	69,687
Restricted	80,286	141,858	(61,572)
Unrestricted	<u>25,249</u>	<u>18,543</u>	<u>6,706</u>
Total Net Assets	<u>\$ 379,618</u>	<u>\$ 364,797</u>	<u>\$ 14,821</u>

**DAYTON CITY SCHOOL DISTRICT**  
Montgomery County, Ohio

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010  
Unaudited

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Total net assets reported at June 30, 2010 are \$14.8 million more than the net assets reported one fiscal year prior. The primary reason for the increase in the School District's net assets were revenues exceeding expenses. As the school facilities construction project continues, net assets previously restricted for capital projects will be reclassified to net assets invested in capital assets.

Total liabilities increased \$4.2 million compared with those reported the prior year. Long-term obligations increased by \$14.1 million during fiscal year 2010 due to the School District entering in to the swap agreement in fiscal year 2010. Current liabilities decreased \$9.9 million due to a significant decrease in deferred revenue associated with property taxes recorded as a receivable at fiscal year-end, but are intended to fund fiscal year 2011 operations. The decrease is the result of the decreasing tax base as a result of property laws in Ohio eliminating portions of personal property taxes as well as the overall declining values of properties located within the School District.

Total assets of the School District at June 30, 2010 totaled \$736.9 million compared with \$717.9 million reported for the prior fiscal year. Significant changes in asset accounts were primarily due to an increase in capital assets by \$72.1 million, virtually all of which is associated with the school facilities construction project, with a decrease in cash to finance the new construction.

In addition, decrease in intergovernmental receivables was also noted as of June 30, 2010. The decrease in intergovernmental receivables is expected as the School continues to draw State funding for construction projects and therefore the amount of available grant funding remaining will continue to decline at the end of each fiscal year.

Table 2 shows the key components in the changes in net assets for the last two fiscal years.

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010  
UnauditedTABLE 2  
Changes in Net Assets (in 000's)

	2010	2009	Change
<b>Revenues</b>			
Program Revenues:			
Charges for Services and Sales	\$ 4,639	\$ 5,079	\$ (440)
Operating Grants and Contributions	57,534	66,429	(8,895)
Capital Grants and Contributions	-	940	(940)
General Revenues:			
Property Taxes	76,586	79,700	(3,114)
Grants and Entitlements	166,650	143,522	23,128
Other	(1,934)	9,930	(11,864)
Total Revenues	<u>303,475</u>	<u>305,600</u>	<u>(2,125)</u>
<b>Program Expenses</b>			
Instruction	96,506	98,856	(2,350)
Support Services:			
Pupils and Instructional Staff	28,163	26,519	1,644
Board of Education, Administration, Fiscal and Business	24,872	22,471	2,401
Operation and Maintenance of Plant	22,164	22,092	72
Pupil Transportation	16,741	15,992	749
Central	7,292	7,754	(462)
Non-Instructional Services	73,766	72,023	1,743
Extracurricular Activities	1,997	1,932	65
Interest and Fiscal Charges	12,030	11,693	337
Unallocated Depreciation	5,123	3,393	1,730
Total Expenses	<u>288,654</u>	<u>282,725</u>	<u>5,929</u>
Change in Net Assets	14,821	22,875	(8,054)
Net Assets at Beginning of Year	364,797	341,922	22,875
Net Assets at End of Year	<u>\$ 379,618</u>	<u>\$ 364,797</u>	<u>\$ 14,821</u>

During fiscal year 2010, total net assets increased \$14.8 million or 4.1 percent of the net assets balance reported at June 30, 2009. The School District continued its concerted efforts to limit operating expenses. The \$2.1 million, or 0.7 percent, decrease in total revenues from those previous in prior year was mainly due to the change in fair market value of the embedded derivative (options). Also, operating grants and contributions decreased due to the expiration of poverty based assistance. Total expenses reported for fiscal year 2010 were \$288.7 million or \$5.9 million more than those reported for the prior fiscal year.

As noted in Table 2, the School District is becoming even more dependent upon general intergovernmental revenues. Approximately 69.1 percent of the School District's general revenues is received from intergovernmental sources, primarily State foundation revenue. As the State of Ohio continues to reimburse local governments for revenue losses associated with property tax relief, the amount reported as intergovernmental revenue will continue to increase while the amount reported for local property tax revenue will continue to decrease.

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010  
Unaudited

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for fiscal year 2010 as compared to those recorded in fiscal year 2009. Net cost of services provided identifies the cost of these services supported by general revenues, including tax revenue and unrestricted State entitlements.

TABLE 3  
Total and Cost of Program Services  
Governmental Activities (in 000's)

	2010		2009	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$ 96,506	\$ 67,093	\$ 98,856	\$ 58,235
Support Services:				
Pupils and Instructional Staff	28,163	10,790	26,519	17,029
Board of Education, Administration, Fiscal and Business	24,872	22,739	22,471	21,220
Operation and Maintenance of Plant	22,164	21,503	22,092	19,655
Pupil Transportation	16,741	16,233	15,992	15,754
Central	7,292	7,150	7,754	5,903
Non-Instructional Services	73,766	62,468	72,023	56,099
Extracurricular Activities	1,997	1,352	1,932	1,296
Interest and Fiscal Charges	12,030	12,030	11,693	11,693
Unallocated Depreciation	5,123	5,123	3,393	3,393
Total Expenses	<u>\$ 288,654</u>	<u>\$ 226,481</u>	<u>\$ 282,725</u>	<u>\$ 210,277</u>

Table 3 shows a \$5.9 million increase in total cost of service for fiscal year 2010 as compared to the prior fiscal year. This increase, along with other changes reflected throughout instruction and non - instruction is due to fiscal year 2010 costs realignments; and also due to the increase in healthcare insurance premiums and community schools pass through.

**The School District's Funds**

The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Total ending fund balance reported for governmental funds at June 30, 2010 was \$151 million, a \$36.1 million decrease compared with the prior fiscal year. Approximately \$116.2 million of the ending fund balance is reported in funds associated with the school facilities construction project. Another \$9.2 million is reported in the Bond Retirement Debt Service Fund to be used to pay debt obligations as they become due. There was \$81.2 million reported as reservation of fund balance to indicate that it is already committed and not available for spending. The remaining fund balance is unreserved and available for spending at the discretion of the School District.

# DAYTON CITY SCHOOL DISTRICT

Montgomery County, Ohio

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010  
Unaudited

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The General Fund is the operating fund of the School District. At June 30, 2010, the ending fund balance of the General Fund was \$4.8 million compared to \$6.6 in the prior year. The decrease in fund balance was due primarily to the decrease in tax revenues from high foreclosure on properties. Expenditures increased in the general fund by \$16.4 million over those reported in the prior year or 8.3 percent. This increase is due to the required fund structure changes by the State which included the elimination of the Poverty Based Assistance and the implementation of the State fiscal stabilization fund in fiscal year 2010. Fiscal year 2009, \$21 million expenditures were paid out from the Poverty Based Assistance Fund compared to \$8 million expenditures paid out from the State Fiscal Stabilization Fund in fiscal year 2010.

The \$3.7 million decrease in the fund balance of the Bond Retirement Debt Service Fund resulted from the School District receiving tax dollars in amounts less than the scheduled debt service payments. As the years go on, the scheduled debt payments increase in amounts while the amount of property tax revenue should remain relatively the same. The \$26.2 million decrease in the Classroom Facilities Fund balance was due to both the current year revenues and part of the beginning balance being spent towards capital assets.

## **General Fund Budgeting Highlights**

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

During the course of fiscal year 2010, the School District amended its General Fund budget numerous times. As the School District receives unanticipated cash receipts or received less than was anticipated, it was necessary to adjust estimated resources and appropriations. Other revenue and expenditure line items were also reviewed.

General Fund budget basis revenue reported for the fiscal year was \$216.1 million, which was \$46.7 million or 28 percent more than amounts originally budgeted. General Fund budget basis expenditure reported for the fiscal year was \$219.6 million, which was \$45.2 million more than amounts originally budgeted. When the original budget was created the revenue and deductions from the State for the children utilizing either community schools or Ed Choice Scholarship Program were expected to be distributed directly to those schools, not passing through our School District. However, the State made a structural change part way through the fiscal year to pass the revenue through from our School District to the community schools and Ed Choice schools.

## **Capital Assets**

At the end of fiscal year 2010, the School District had \$466.2 million invested in land, construction in progress, buildings and improvements, furniture and equipment, and vehicles in governmental activities and \$41.9 of accumulated depreciation resulting in net capital assets of \$424.3 million.

In 2003, the State of Ohio determined that most of the School District's school buildings were in need of remodeling or replacement based on the age and condition of the structures. A statewide revitalization program, which operates under the direction of the Ohio Schools Facilities Commission (established through Senate Bill 272) uses resources from State bond funds and the tobacco settlement funds to match local dollars so that eligible districts can remodel or rebuild their capital assets. One school building completed under this project was opened during fiscal year 2010, bringing the total number of facilities opened to date to 15.

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010  
Unaudited

Construction in progress, associated with the one facility opened in fiscal year 2010, totaling \$35.5 was capitalized reclassified from construction in progress to buildings in 2010. Total allocation of the project during the fiscal year was \$36.8 million to Buildings and \$748.5 thousand to equipment. At June 30, 2010 total construction in progress was \$138.2 million. The overall cost of the construction project is estimated at \$628 million with construction taking place over the next several years. Actual cost through June 30, 2010 was \$418 million.

Table 4 shows fiscal year 2010 balances compared to those of fiscal year 2009:

TABLE 4  
Capital Assets at June 30

	<u>2010</u>	<u>2009</u>
Land	\$ 11,630,437	\$ 11,599,654
Buildings and Improvements	288,918,459	253,859,902
Furniture and Equipment	10,343,337	9,596,463
Vehicles	17,029,493	14,724,975
Construction in Progress	138,246,374	99,364,114
Less: Accumulated Depreciation	<u>(41,854,494)</u>	<u>(36,883,387)</u>
Total Capital Assets	<u>\$ 424,313,606</u>	<u>\$ 352,261,721</u>

Overall, net capital assets increased approximately \$72.1 million from fiscal year 2009. Land was purchased for school sites totaling \$31 thousand in fiscal year 2010. There were no significant capital purchases other than those associated with the school facilities project. Additional information on the School District's capital assets can be found in Note 9 to the basic financial statements.

**Debt Administration**

At the end of fiscal year 2010, the School District had \$259.1 million of outstanding long-term debt obligations, of which \$7.8 million is due within one year. Significant elements of the School District's outstanding long-term debt obligations outstanding at June 30, 2010 include:

- \$221.7 million in outstanding general obligation school facilities construction and improvement bonds and related unamortized bond premiums, with \$6.8 million of principal payments and premium amortization made during the fiscal year 2010.
- \$10.0 million in Qualified Zone Academy Bonds for renovations to Stivers Middle School and the creation of an Arts program in Dayton. These bonds bear no interest and payment of the entire principal is due at the maturity date of December 30, 2016.
- \$1.8 million of long-term tax anticipation notes. The School District made principal payments of \$350,000 during the year.

**DAYTON CITY SCHOOL DISTRICT**  
Montgomery County, Ohio

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010  
Unaudited

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- \$15.1 million of certificates of participation, which were originally issued to finance the purchase of the School District's administrative office building as well as additional office space. During fiscal year 2010 the School District made principal payments of \$280,000 related to this issue.

Additional information on the School District's long-term obligations can be found in Note 14 to the basic financial statements.

### **Future Economic Factors**

The district will receive \$4.3 million from the Federal Ed Jobs Bill which will be utilized in fiscal year 2012 to maintain instructional staff.

The School District is going to receive \$21 million of stimulus funding over the next two fiscal years, for fiscal year 2010 from the America Recovery and Reinvestment Act (ARRA). These funds are restricted by program and reported to the State on a quarterly basis.

On October 6, 2009 the Board approved amending the note resolution adopted on April 15, 2008, as amended on January 6, 2009 and February 12, 2009, authorizing the issuance of not to exceed \$94,505,000 and \$151,555,000 of notes in anticipation of the issuance of bonds for the purpose of refunding a portion of the School Facilities Construction and Improvement Bonds, Series 2003-D (General Obligation – Unlimited Tax), dated July 31, 2003, issued for the purposes set forth in the authorizing Resolution Adopted On March 4, 2003; and authorizing a note placement agreement, a note registrar agreement and an interest rate hedge; and if in the best interest of the School District requesting the State Department Of Education to approve an agreement and, if desired, authorizing the execution of such agreement to provide for the contingent intercept of State Foundation payments to enhance the security of the notes.

On October 15, 2009 the School District received \$9.7 million from the agreement on the yield reduction payment and rebate. This money will be used for capital improvements in the School District. One of the primary purchases will be a new Enterprise Resources Planning (ERP) system that includes a student, financial and human resources package.

The State funding for schools is based on several factors all of which are subject to deliberations and approval of the Ohio General Assembly. School funding beyond fiscal year 2011 will be set as part of the State's biennial budget for fiscal years 2012 and 2013. Due to the economic conditions within the State and the anticipated short fall in tax revenues in the next bi-annual budget, the level at which the State will fund schools is uncertain.

### **Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Treasurer's Office at Dayton City School District, 115 South Ludlow Street, Dayton, Ohio 45402 or call (937) 542-3018.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
STATEMENT OF NET ASSETS  
JUNE 30, 2010

		Governmental Activities
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$	164,442,493
Cash and Cash Equivalents:		
With Fiscal Agent		10,405,933
Receivables:		
Property and Other Taxes		82,269,217
Accounts		279,497
Intergovernmental		50,680,238
Accrued Interest		633,602
Inventory of Supplies and Materials		893,006
Inventory Held for Resale		1,074,660
Prepaid Items		105,120
Deferred Charges		1,836,286
Capital Assets:		
Non-Depreciable		149,876,811
Depreciable, Net of Accumulated Depreciation		274,436,795
 Total Assets		 736,933,658
Liabilities:		
Accounts Payable		4,741,438
Accrued Wages and Benefits Payable		8,418,129
Intergovernmental Payable		6,522,734
Accrued Interest Payable		932,329
Accrued Vacation Leave Payable		1,304,880
Matured Compensated Absences Payable		382,669
Retainage Payable		1,239,089
Unearned Revenue		54,003,773
Long Term Liabilities:		
Due Within One Year		9,606,895
Due in More Than One Year		270,163,282
 Total Liabilities		 357,315,218
Net Assets:		
Invested in Capital Assets, Net of Related Debt		274,083,127
Restricted for:		
Grant Programs		9,978,149
Capital Projects		57,927,654
Classroom Facilities Maintenance		8,154,458
Other Purpose		1,333,825
Debt Service		2,892,306
Unrestricted		25,248,921
 Total Net Assets	\$	 379,618,440

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
Expenses	Charges for Services & Sales	Operating Grants and Contributions	Total Governmental Activities	
<b>Governmental Activities:</b>				
<b>Instruction:</b>				
Regular	\$ 60,367,657	\$ 1,789,584	\$ 150,063	\$ (58,428,010)
Special	28,831,867	-	19,244,931	(9,586,936)
Vocational	2,347,600	-	2,136,853	(210,747)
Adult/Continuing	31,250	4,919	-	(26,331)
Student Intervention Services	4,927,879	-	6,086,216	1,158,337
<b>Support Services:</b>				
Pupils	9,677,972	12,590	2,638,493	(7,026,889)
Instructional Staff	18,484,817	56,278	14,665,495	(3,763,044)
Board of Education	1,083,663	2,233	47,890	(1,033,540)
Administration	18,587,883	80,265	1,337,034	(17,170,584)
Fiscal	3,700,471	-	665,690	(3,034,781)
Business	1,500,067	-	-	(1,500,067)
Operation and Maintenance of Plant	22,163,606	588,802	71,596	(21,503,208)
Pupil transportation	16,741,034	-	508,441	(16,232,593)
Central	7,291,951	-	142,172	(7,149,779)
Non-instructional Services	73,765,748	1,475,801	9,822,257	(62,467,690)
Extracurricular Activities	1,997,118	628,574	16,558	(1,351,986)
Interest and Fiscal Charges	12,029,713	-	-	(12,029,713)
Unallocated Depreciation *	5,123,531	-	-	(5,123,531)
Total Governmental Activities	<u>\$ 288,653,827</u>	<u>\$ 4,639,046</u>	<u>\$ 57,533,689</u>	<u>(226,481,092)</u>
<b>General Revenues:</b>				
Property taxes levied for:				
General purposes				63,864,510
Debt service				11,412,497
Capital projects				654,684
Other purposes				654,683
Grants and entitlements not restricted to specific programs				166,650,134
Investment earnings				(6,557,960)
Gifts and Donations				131,000
Miscellaneous				4,493,342
Total General Revenues				<u>241,302,890</u>
Changes in net assets				14,821,798
Net assets at beginning of year				<u>364,796,642</u>
Net assets at end of year				<u>\$ 379,618,440</u>

\* This amount excludes the depreciation that is included in the direct expense of the various functions.

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2010

	General Fund	Bond Retirement Fund	Classroom Facilities Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$ 7,815,146	\$ 8,603,392	\$ 90,416,387	\$ 45,565,280	\$ 152,400,205
Cash and Cash Equivalents:					
With Fiscal Agent	-	-	8,563,800	603,044	9,166,844
Receivables:					
Property and Other Taxes - Current	46,515,487	9,616,828	-	1,053,484	57,185,799
Property and Other Taxes - Delinquent	20,932,374	3,722,530	-	428,514	25,083,418
Accounts	139,503	-	-	120,192	259,695
Intergovernmental	1,114,334	-	37,438,773	12,127,131	50,680,238
Accrued Interest	243,694	6,428	349,487	33,993	633,602
Due from Other Funds	3,077,510	-	-	7,463	3,084,973
Prepaid Items	1,671	-	24,954	78,495	105,120
Inventory of Supplies and Materials	893,006	-	-	-	893,006
Inventory Held for Resale	-	-	-	97,689	97,689
Restricted Assets:					
Cash and Cash Equivalents w/Fiscal Agent	-	-	1,239,089	-	1,239,089
<b>Total Assets</b>	<u>\$ 80,732,725</u>	<u>\$ 21,949,178</u>	<u>\$ 138,032,490</u>	<u>\$ 60,115,285</u>	<u>\$ 300,829,678</u>
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$ 436,815	\$ -	\$ 1,909,643	\$ 2,378,683	\$ 4,725,141
Accrued Wages and Benefits Payable	5,651,695	-	-	2,764,153	8,415,848
Intergovernmental Payable	4,426,655	-	-	1,064,955	5,491,610
Due to Other Funds	-	-	-	3,087,679	3,087,679
Deferred Revenue	65,132,789	12,783,196	37,788,260	10,745,715	126,449,960
Matured Compensated Absences Payable	323,809	-	-	58,860	382,669
Retainage Payable from Restricted Assets	-	-	1,239,089	-	1,239,089
<b>Total Liabilities</b>	<u>75,971,763</u>	<u>12,783,196</u>	<u>40,936,992</u>	<u>20,100,045</u>	<u>149,791,996</u>
<u>Fund Balances:</u>					
<u>Reserved for:</u>					
Encumbrances	346,458	35,855	63,452,700	13,115,566	76,950,579
Supplies Inventory	893,006	-	-	97,689	990,695
Property Taxes	2,558,766	562,590	-	60,670	3,182,026
Prepaid Items	1,671	-	24,954	78,495	105,120
<u>Unreserved, Undesignated:</u>					
General Fund	961,061	-	-	-	961,061
Special Revenue Funds	-	-	-	7,252,783	7,252,783
Debt Service Fund	-	8,567,537	-	-	8,567,537
Capital Projects Funds	-	-	33,617,844	19,410,037	53,027,881
<b>Total Fund Balances</b>	<u>4,760,962</u>	<u>9,165,982</u>	<u>97,095,498</u>	<u>40,015,240</u>	<u>151,037,682</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 80,732,725</u>	<u>\$ 21,949,178</u>	<u>\$ 138,032,490</u>	<u>\$ 60,115,285</u>	<u>\$ 300,829,678</u>

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2010

Total Governmental Fund Balances:		\$ 151,037,682
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		424,313,606
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	25,083,418	
Interest	633,602	
State and federal grants	9,290,394	
School construction grants	<u>37,438,773</u>	
		72,446,187
Costs associated with the issuance of long-term bond obligations are deferred and amortized over the life of the bond issue on the accrual basis but are only reported as expenditures in the year in which the bonds are issued.		1,836,286
Internal service funds are used by management to charge the costs of operating the central warehouse and providing health insurance and workers' compensation coverage to the individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.		11,992,065
Long-term liabilities which are not due and payable in the current period and therefore are not reported in the funds.		
Long-term notes payable	(1,750,000)	
General obligation bonds	(212,675,000)	
Premium on G.O. bonds	(9,070,305)	
Embedded Derivative (Options)	(17,634,841)	
Certificates of participation	(15,070,000)	
QZAB bonds	(10,000,000)	
Accrued interest on long-term obligations	(932,329)	
Compensated absences	(6,040,817)	
Vacation leave payable	(1,304,880)	
Claims payable	(4,824,057)	
Capital leases payable	<u>(2,705,157)</u>	
Total		<u>(282,007,386)</u>
Net Assets of Governmental Activities		<u>\$ 379,618,440</u>

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	General Fund	Bond Retirement Fund	Classroom Facilities Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 57,784,800	\$ 10,314,303	\$ -	\$ 1,180,433	\$ 69,279,536
Intergovernmental	151,583,724	2,908,558	42,599,775	46,642,362	243,734,419
Interest	432,220	7,563	961,063	26,344	1,427,190
Tuition and Fees	1,274,556	-	-	10,660	1,285,216
Rent	553,667	-	-	-	553,667
Gifts and Donations	1,000	-	-	152,354	153,354
Customer Sales and Service	107,484	-	-	1,371,057	1,478,541
Extracurricular Activities	-	-	-	1,321,622	1,321,622
Miscellaneous	3,718,136	-	49,300	800,906	4,568,342
<b>Total Revenues</b>	<u>215,455,587</u>	<u>13,230,424</u>	<u>43,610,138</u>	<u>51,505,738</u>	<u>323,801,887</u>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	57,848,656	-	-	3,571,241	61,419,897
Special	20,508,587	-	-	7,380,785	27,889,372
Vocational	2,580,911	-	-	804,811	3,385,722
Adult/Continuing	26,853	-	-	4,397	31,250
Student Intervention Services	188,495	-	-	4,559,340	4,747,835
<b>Support Services:</b>					
Pupils	6,329,939	-	-	3,091,255	9,421,194
Instructional Staff	6,828,530	-	-	11,629,373	18,457,903
Board of Education	1,041,782	-	-	1,691	1,043,473
Administration	9,079,746	-	5,581,357	3,769,959	18,431,062
Fiscal	2,951,751	-	166,686	578,837	3,697,274
Business	1,473,918	-	-	-	1,473,918
Operation and Maintenance of Plant	21,143,978	-	-	780,194	21,924,172
Pupil Transportation	15,400,522	-	-	2,707,629	18,108,151
Central	5,836,847	-	-	925,719	6,762,566
Non-Instructional Services	59,584,893	-	-	13,842,566	73,427,459
Extracurricular Activities	1,062,216	-	-	891,277	1,953,493
Capital Outlay	45,000	-	64,071,933	12,340,639	76,457,572
<b>Debt Service:</b>					
Principal Retirement	886,334	6,295,000	-	350,000	7,531,334
Interest and Fiscal Charges	928,440	10,639,768	-	911,627	12,479,835
<b>Total Expenditures</b>	<u>213,747,398</u>	<u>16,934,768</u>	<u>69,819,976</u>	<u>68,141,340</u>	<u>368,643,482</u>
<b>Excess of Revenues Over (Under)</b>					
Expenditures	<u>1,708,189</u>	<u>(3,704,344)</u>	<u>(26,209,838)</u>	<u>(16,635,602)</u>	<u>(44,841,595)</u>
<b>Other Financing Sources (Uses):</b>					
Proceeds from Sale of Options	-	-	-	9,685,000	9,685,000
Transfers-In	424,972	-	-	3,035,070	3,460,042
Transfers-Out	(3,940,658)	-	-	(444,049)	(4,384,707)
<b>Total Other Financing Sources (Uses)</b>	<u>(3,515,686)</u>	<u>-</u>	<u>-</u>	<u>12,276,021</u>	<u>8,760,335</u>
<b>Net Change in Fund Balance</b>	(1,807,497)	(3,704,344)	(26,209,838)	(4,359,581)	(36,081,260)
<b>Fund Balance at Beginning of Year</b>	<u>6,568,459</u>	<u>12,870,326</u>	<u>123,305,336</u>	<u>44,374,821</u>	<u>187,118,942</u>
<b>Fund Balance at End of Year</b>	<u>\$ 4,760,962</u>	<u>\$ 9,165,982</u>	<u>\$ 97,095,498</u>	<u>\$ 40,015,240</u>	<u>\$ 151,037,682</u>

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Net Change in Fund Balances - Total Governmental Funds \$ (36,081,260)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the net difference between capital outlay and depreciation expense in the current period.

Capital assets additions	78,814,670	
Current year depreciation	<u>(6,738,028)</u>	
Total		72,076,642

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

Loss on disposal of capital assets		(24,757)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Taxes	7,306,838	
Interest	69,352	
Other	(75,000)	
State and federal grants	8,601,969	
School construction grants	(28,279,580)	
Change in fair value of embedded derivative (options)	<u>(7,949,841)</u>	
Total		(20,326,262)

The School District forgave the loan receivable to Dayton Technology Design High School. (350,000)

In the statement of activities, certain proceeds associated with long-term debt obligations issued during the fiscal year are reported as debt and does not affect the statement of activities. In governmental funds these proceeds are recognized as financing sources and uses.

Proceeds from Sale of Options		(9,685,000)
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Repayment of long-term debt obligation principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 7,531,334

Some expenses reported in the statement of activities, such as compensated absences and inter-governmental payable which represents accrued workers' compensation premiums, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences payable	270,546	
Claims payable	(495,906)	
Vacation payable	50,754	
Accrued interest	25,446	
Amortization of bond issuance costs	(101,316)	
Amortization of bond premium	<u>525,992</u>	
Total		275,516

Internal service funds are used by management to charge the costs of operating the central warehouse as well as providing health insurance and workers' compensation coverage to the individual funds, and are not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue or expense of the internal service funds is allocated among the governmental activities. 1,405,585

Change in Net Assets of Governmental Activities \$ 14,821,798

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GENERAL FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Taxes	\$ 46,489,136	\$ 59,431,666	\$ 59,431,666	\$ -
Intergovernmental	117,714,088	150,485,573	150,498,997	13,424
Interest	450,763	576,254	576,306	52
Tuition and Fees	1,279,210	1,635,341	1,635,487	146
Rent	433,055	553,617	553,667	50
Customer Sales and Services	84,251	107,707	107,717	10
Gifts and Donations	-	1,000	1,000	-
Miscellaneous	2,954,506	3,257,732	3,281,044	23,312
<b>Total Revenues</b>	<b>169,405,009</b>	<b>216,048,890</b>	<b>216,085,884</b>	<b>36,994</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	46,452,002	58,487,206	57,773,186	714,020
Special	16,359,738	20,598,367	20,346,900	251,467
Vocational	2,170,354	2,732,669	2,699,305	33,364
Adult/Continuing	22,295	28,071	27,728	343
Student Intervention Services	3,888	188,650	188,638	12
Other	694,584	690,788	680,065	10,723
<b>Support Services:</b>				
Pupils	5,294,781	6,666,600	6,585,214	81,386
Instructional Staff	5,516,068	6,945,221	6,860,434	84,787
Board of Education	865,482	1,089,719	1,076,417	13,302
Administration	7,711,890	9,709,956	9,569,411	140,545
Fiscal	2,382,882	3,000,260	2,965,056	35,204
Business	1,965,210	2,474,374	2,444,167	30,207
Plant Operation and Maintenance	17,265,672	21,739,018	21,473,633	265,385
Pupil Transportation	13,224,259	16,650,518	16,447,249	203,269
Central	4,815,492	6,063,133	5,989,116	74,017
Non Instructional Services	47,892,142	60,321,048	59,584,893	736,155
Extracurricular Activities	851,419	1,072,013	1,058,925	13,088
Capital Outlay	900,542	1,133,862	1,120,020	13,842
<b>Total Expenditures</b>	<b>174,388,700</b>	<b>219,591,473</b>	<b>216,890,357</b>	<b>2,701,116</b>
<b>Excess of Revenues Over(Under) Expenditures</b>	<b>(4,983,691)</b>	<b>(3,542,583)</b>	<b>(804,473)</b>	<b>2,738,110</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	143,325	183,227	185,184	1,957
Transfers-In	332,394	424,933	424,972	39
Advances-In	2,999,270	3,834,264	3,809,606	(24,658)
Transfers-Out	(2,424,982)	(2,339,607)	(3,015,993)	(676,386)
Advances-Out	(1,858,175)	(3,032,691)	(2,311,045)	721,646
<b>Total Other Financing Sources (Uses)</b>	<b>(808,168)</b>	<b>(929,874)</b>	<b>(907,276)</b>	<b>22,598</b>
<b>Net Change in Fund Balance</b>	<b>(5,791,859)</b>	<b>(4,472,457)</b>	<b>(1,711,749)</b>	<b>2,760,708</b>
Fund Balance at Beginning of Year	6,903,709	6,903,709	6,903,709	-
Prior Year Encumbrances Appropriated	1,952,852	1,952,852	1,952,852	-
<b>Fund Balance at End of Year</b>	<b>\$ 3,064,702</b>	<b>\$ 4,384,104</b>	<b>\$ 7,144,812</b>	<b>\$ 2,760,708</b>

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
STATEMENT OF FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
JUNE 30, 2010

	Governmental Activities
	Internal Service Funds
<u>Assets:</u>	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 12,042,288
Accounts Receivable	19,802
Due from Other Funds	2,706
Inventory Held for Resale	976,971
Total Current Assets	13,041,767
Noncurrent Assets:	
Capital Assets, Net of Accumulated Depreciation	141,499
Total Assets	13,183,266
<u>Liabilities:</u>	
Current Liabilities:	
Accounts Payable	16,297
Accrued Wages and Benefits Payable	2,281
Intergovernmental Payable	1,031,124
Claims Payable	1,390,903
Compensated Absences Payable	497
Total Current Liabilities	2,441,102
Noncurrent Liabilities:	
Claims Payable	3,433,154
Compensated Absences Payable	7,549
Total Noncurrent Liabilities	3,440,703
Total Liabilities	5,881,805
<u>Net Assets:</u>	
Invested in Capital Assets	141,499
Unrestricted	7,159,962
Total Net Assets	\$ 7,301,461

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
Operating Revenues:	
Sales	\$ 489,850
Charges for Services	28,461,769
Other Revenues	<u>19,802</u>
Total Operating Revenues	<u>28,971,421</u>
Operating Expenses:	
Salaries and Wages	676,492
Fringe Benefits	335,519
Purchased Services	2,577,271
Claims	24,427,235
Supplies and Materials	405,112
Cost of Sales	565,587
Depreciation	<u>19,696</u>
Total Operating Expenses	<u>29,006,912</u>
Loss Before Transfers	(35,491)
Transfers-In	<u>924,665</u>
Change in Net Assets	889,174
Net Assets at Beginning of Year	<u>6,412,287</u>
Net Assets at End of Year	<u><u>\$ 7,301,461</u></u>

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Governmental Activities
	Internal Service Funds
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	
Cash Flows from Operating Activities:	
Cash Received from Interfund Services Provided	\$ 28,960,537
Cash Payments to Suppliers for Goods	(4,822,719)
Cash Payments to Employees for Services	(676,196)
Cash Payments for Employees Benefits	(335,146)
Cash Payments for Claims	(23,931,329)
Net Cash Provided by (Used in) Operating Activities	(804,853)
Cash Flows from Noncapital Financing Activities	
Transfers-In	924,665
Net Increase in Cash and Cash Equivalents	119,812
Cash and Cash Equivalents Beginning of Year	11,922,476
Cash and Cash Equivalents End of Year	\$ 12,042,288
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating Income (Loss)	(35,491)
Adjustments:	
Depreciation	19,696
Increase in Accounts Receivable	(10,884)
Increase in Due from Other Funds	(2,706)
Decrease in Inventory Held for Resale	392,488
Decrease in Accounts Payable	(1,590,163)
Increase in Accrued Wages and Benefits	296
Increase in Compensated Absences	809
Decrease in Intergovernmental Payable	(74,804)
Increase in Claims Payable	495,906
Net Cash Provided by (Used in) Operating Activities	(\$804,853)

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUND  
JUNE 30, 2010

	<u>Agency Fund</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ <u>134,844</u>
Liabilities:	
Accounts Payable	\$ 2,676
Due to Students	<u>132,168</u>
Total Liabilities	<u>\$ 134,844</u>

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

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**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

Dayton City School District (the "School District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution of the State of Ohio. The School District operates under a locally elected seven-member Board form of government and provides educational services as mandated by State and/or federal agencies.

The School District is the 11th largest in the State of Ohio (among 609 school districts) in terms of enrollment. It is staffed by 1,334 certificated employees and 838 classified employees who provide services to student enrollment totaling 13,664.

**Reporting Entity** A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Dayton City School District, this includes general operations, food service, student guidance, extracurricular activities, educational media, care and upkeep of grounds and buildings, preschool and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes for the organization. The School District does not have any component units.

The following activities are included within the reporting entity:

**Parochial Schools** Within the School District boundaries are sixteen parochial schools, which are operated as private schools. Current State legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the School District, as directed by the parochial schools. The activity of these State monies is reflected in a special revenue fund and as part of governmental activities for financial reporting purposes.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Dayton City School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989, to its governmental activities and to its Internal Service Funds provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

***A. Basis Of Presentation***

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

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements to avoid "doubling up" revenues and expenses. Interfund services provided and used are not eliminated as this would distort expenses and revenues reported for the various functions concerned.

The statement of net assets presents the financial condition of the governmental activities of the School District at fiscal year-end. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

**Fund Financial Statements**

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

***B. Fund Accounting***

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

**Governmental Funds**

Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The School District has three major governmental funds; the General, Bond Retirement, and Classroom Facilities Funds.

General Fund

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

Bond Retirement Fund

The Bond Retirement Fund is used to accumulate financial resources, including local property taxes, for the repayment of principal, interest and related costs of general long-term obligations, specifically the general obligation bonds and notes issued in conjunction with the School District's school facilities projects.

Classroom Facilities Fund

The Classroom Facilities Fund is used to account for financial resources, including intergovernmental capital grants, proceeds from the sale of debt obligations and interest received, and construction costs associated with the basic requirements of the master plan associated with the School District's school facilities projects.

The other governmental funds of the School District account for grants and other resources and capital projects of the School District whose uses are restricted to a particular purpose.

Proprietary Fund

The proprietary fund focuses on the determination of operating income, the changes in net assets, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service; the School District has no enterprise funds.

Internal Service Funds

Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District has three internal service funds; one to account for the operations of the central warehouse and distribution facility, another accounts for the self-insurance program which provides medical and dental benefits to employees, and the remaining one accounts for monies collected for workers' compensation payments under the retrospective rating plan.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Fiduciary Fund

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The School District only has one agency fund which is used to account for the monies managed on behalf of the student managed activities throughout the District. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

*C. Measurement Focus*

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

*D. Basis of Accounting*

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. On the fund level, governmental funds use the modified accrual basis of accounting and the internal service funds use the accrual basis of accounting. Differences in the accrual and modified accrual bases of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means the resources are collectible within the current fiscal year, or soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of fiscal year-end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, operating and capital grants, investment earnings, tuition, student fees and various miscellaneous revenues.

Unearned/Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2010, but which were levied to finance fiscal year 2011 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred revenue.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

***E. Budget Data***

All funds, other than the Student Managed Activities agency fund and the Educational Foundation special revenue fund are legally required to be budgeted and appropriated.

The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The Board has established the legal level of budgetary control at the fund level for each fund.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2010.

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

***F. Cash and Cash Equivalents***

To improve cash management, cash received by the School District is pooled in a central bank account. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the balance sheet. For reporting purposes, investments of the pool are considered cash equivalents. The School District utilizes a fiscal agent to handle money set aside in the Educational Foundation special revenue fund. In addition, the School District has deposited money in a trust account for the future repayment of debt obligations as they become due which is also reported as Cash and Cash Equivalents with Fiscal Agent. The amount reported on the balance sheet as "Restricted Assets – Cash and Cash Equivalents with Fiscal Agent" represents escrow accounts established in conjunction with school facilities construction contracts.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

During fiscal year 2010, the School District's investments were limited to the State Treasury Asset Reserve of Ohio (STAROhio), negotiable certificates of deposit, money market mutual funds, and federal agency securities.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30, 2010. The Education Foundation monies are also invested in an outside investment pool, the Dayton Foundation. The Dayton Foundation operates in a manner similar to STAROhio.

The Board of Education has credited interest earnings to those funds as established by the Ohio Revised Code. Interest revenue credited to the General Fund during fiscal year 2010 amounted to \$432,220, which includes \$354,701 assigned from other School District funds. Interest was also recorded in the Bond Retirement, Classroom Facilities and Other Governmental Funds in the amounts of \$7,563, \$961,063, and \$26,344, respectively. On the accrual basis of accounting, the School District reported investment earnings of \$1,391,881 on the Statement of Activities prior to the recognition of the change in the fair market value on the swap.

***G. Inventory***

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption, donated food, and purchased food. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed or used. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds, which indicates that it does not constitute available expendable resources even though it is a component of net current assets. Inventories of internal service funds consist primarily of supplies held for resale and are expensed when sold.

***H. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2010, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and expenditure is reported in the year in which services are consumed. Reported prepaid items are equally offset by a fund balance reserve in the governmental funds, which indicates that it does not constitute available resources even though it is a component of net current assets.

***I. Estimates***

The preparation of 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

***J. Capital Assets and Depreciation***

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported within the governmental activities on the government-wide statement of net assets but are not reported in the fund statements. Internal service fund's capital assets reported in the fund statements are combined with the governmental activities on the government-wide statement of net assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements throughout the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$5,000. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements (Land Improvements)	50 years
Furniture and Equipment	3 – 10 years
Vehicles	10 years

***K. Internal Activity***

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

***L. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. The liability for vacation benefits is recorded as "accrued vacation leave payable", rather than long-term liabilities as the balances for most employees are to be used by employees in the fiscal year following the fiscal year in which the benefit was earned.

Sick leave benefits are accrued as a liability using the vesting method which states that the School District will estimate its liability based on sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as specified by the retirement system as well as other employees who are expected to become eligible in the future to receive such payments. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated sick leave for all employees after 15 years of current service with the School District.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that has matured (i.e., due for payment during the current fiscal year for employees who have retired but have not received payment at fiscal year-end). These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The non-current portion of the liability is not reported in the fund financial statements.

***M. Accrued Liabilities and Long-Term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities and long-term obligations payable from the proprietary fund are reported on the fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment with current available resources. General obligation bonds, long-term notes, certificates of participation, and capital leases are recognized as an expenditures and liability on the governmental fund financial statements when due.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
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For the Fiscal Year Ended June 30, 2010

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

***N. Operating Revenues and Expenses***

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District's internal service funds are charges made to other funds for the purchase of goods from the warehouse and premiums for the self-insurance program. Operating expenses for the internal service funds include the cost of goods sold from the warehouse, costs of managing and delivering those goods, and claims paid from the self-insurance and workers compensation programs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

***O. Net Assets***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. At June 30, 2010, there were no net assets restricted by enabling legislation.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

***P. Fund Balance Reserves***

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, supplies inventory, property taxes, and prepaid items.

The reserve for property taxes represents taxes recognized as revenue under accounting principles generally accepted in the United States of America but not available for appropriation under State statute.

***Q. Interfund Balances***

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from Other Funds" and "Due to Other Funds". These amounts are eliminated in the governmental activities column of the Statement of Net Assets.

***R. Bond Premiums/Issuance Costs***

In the government-wide financial statements, bond premiums and issuance costs are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds payable. Issuance costs are reported as deferred charges.

**DAYTON CITY SCHOOL DISTRICT**  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

As permitted by State statute, the School District paid bond issuance costs from the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of the net assets prevents one classification from being overstated while another is understated by the same amount.

On the fund financial statements, bond premiums are reported as Other Financing Sources and issuance costs are reported as expenditures in the period when the debt is issued.

**NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES**

For fiscal year 2010, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 51, "Accounting and Financial Reporting for Intangible Assets", Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans", and Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not result in any change to the School District's financial statements.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. It requires governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in their economic resources measurement focus financial statements. The implementation of this statement did not result in any change in the School District's financial statements.

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and funding progress information. The implementation of this statement did not result in any change in the School District's financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change in the School District's financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
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For the Fiscal Year Ended June 30, 2010

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**NOTE 4 - ACCOUNTABILITY**

*Accountability*

The following funds had fund equity deficits as of June 30, 2010:

<i>Special Revenue Funds:</i>	
Management Information Systems	\$ 543
Alternative Schools	2,845
Adult Basic Education	2,154
Title VI-B	320,506
Head Start	94,274
State Fiscal Stabilization	2,003,001
EHA Preschool Grants for the Handicapped	31,033
Miscellaneous Federal Grants	40,717
Food Service	7,783

The deficits in these funds resulted from adjustments for accrued liabilities. Management expects the deficits in these funds to be corrected in early fiscal year 2011. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING**

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget (non-GAAP) and actual - General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the fund liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. The change in fair value of investments is not included on the budget basis operating statement. This amount is included on the GAAP basis operating statement.

**DAYTON CITY SCHOOL DISTRICT**  
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**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING** (continued)

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

Net Change in Fund Balance General Fund	
GAAP Basis	\$ (1,807,497)
Revenue Accruals	671,395
Expenditure Accruals	(2,359,684)
Advances	1,498,561
Change in Market Value FY 2010	112,497
Change in Market Value FY 2009	31,589
Transfers	924,665
Encumbrances	<u>(783,275)</u>
Budget Basis	<u>\$ (1,711,749)</u>

**NOTE 6 - DEPOSITS AND INVESTMENTS**

State statutes require the classification of monies held by the School District into three categories.

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

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

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

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

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

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**NOTE 6 - DEPOSITS AND INVESTMENTS** (continued)

3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) above;
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

**Investments**

Investments are reported at fair value. As of June 30, 2010, the School District had the following investments:

	Fair Value	Weighted Average Maturity	Rating (1)	Concentration of Credit Risk
Federal Home Loan Bank	\$35,659,512	0.46 Yrs	AAA	22.93%
Federal Farm Credit Bank	8,921,546	0.43 Yrs	AAA	5.74%
Federal National Mortgage Association	23,297,894	0.73 Yrs	AAA	14.98%
Federal Home Loan Mortgage Corporation	42,545,938	0.69 Yrs	AAA	27.35%
Federal Home Loan Discount Note	2,513,270	0.35 Yrs	AAA	
U.S. Treasury Securities	14,445,034	4.12 Yrs	N/A	
Negotiable CDs	3,931,815	0.26 Yrs	N/A	
Money Market Mutual Funds	23,488,368	N/A	AAAm	
Outside Investment Pools	742,583	N/A	(2)	
<b>Total</b>	<b>\$155,545,960</b>			
<b>Portfolio Weighted Average to Maturity</b>		<b>0.82 Yrs</b>		

(1) Standard and Poors' ratings.

(2) StarOhio is rated AAAM by Standard and Poors' and the Dayton Foundation is not rated

The School District's investment policy permits the purchase of any security specifically authorized by the Ohio Revised Code and includes the following:

Interest Rate Risk – The Ohio Revised Code and the Investment and Depository Policy of the School District limits the purchase of securities to those with a maturity of no more than five years from the date of purchase unless matched to a specific obligation or debt of the School District.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
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**NOTE 6 - DEPOSITS AND INVESTMENTS** (continued)

Concentration of Credit Risk – Diversification shall ensure potential losses on individual securities do not exceed the income generated from the remainder of the initial investment. The School district places no limit on the amount if it may invest in any one issuer.

Credit Risk – The School District’s policy limits investments to those authorized by State Statute. State Statute only addresses credit risk by limiting the investments that may be purchased to those offered by specifically identified issuers. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual fund be rated in the highest category at the time of purchase by at least one national recognized standard rating service. Most of the negotiable certificates of deposit are in denominations of under \$250,000 each, in separate banks, and insured by Federal Deposit Insurance Corporation (FDIC). However, there were two banks with negotiable certificates of deposits over \$250,000 and are subject to credit risk of \$38,783.

**NOTE 7 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real property, public utility property, and tangible personal (used in business) property located in the School District. Real property tax revenues received in calendar year 2010 represent the collection of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed values as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2010 represent the collection of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien on December 31, 2008, were levied after April 1, 2009, and are collected in calendar year 2010 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenues received in calendar year 2010 (other than public utility property) represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2009 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
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**NOTE 7 - PROPERTY TAXES** (continued)

The School District receives property taxes from Montgomery County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2010, are available to finance fiscal year 2010 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents the real property, public utility property, and tangible personal property taxes which were measurable as of June 30, 2010, and for which there was an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reflected as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2010, was \$2,558,766, \$562,590 and \$60,670 in the General, Bond Retirement and Other Governmental Funds, respectively. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2010 taxes were collected are:

	<u>2010 First-Half Collection</u>		<u>2009 Second-Half Collection</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 1,770,190,640	95.95%	\$ 1,794,498,110	95.30%
Public Utility	72,227,100	3.92%	72,915,370	3.87%
Tangible Personal Property	<u>2,404,820</u>	<u>0.13%</u>	<u>15,661,840</u>	<u>0.83%</u>
Total Assessed Value	<u>\$ 1,844,822,560</u>	<u>100.00%</u>	<u>\$ 1,883,075,320</u>	<u>100.00%</u>
Tax Rate per \$1,000	\$75.75		\$75.75	

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2010, consisted of current and delinquent property and other taxes, accrued interest, accounts (tuition and student fees), intergovernmental grants and interfund transactions. All receivables, except delinquent property taxes, are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

**DAYTON CITY SCHOOL DISTRICT**  
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**NOTE 8 - RECEIVABLES** (continued)

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities:	
<i>General Fund:</i>	
Due from other Governments	\$1,114,334
<i>Classroom Facilities Fund:</i>	
School Facilities Construction Grants	37,438,773
<i>Other Governmental Funds:</i>	
Alternative Schools State Grant	8,196
Title VI(B) Grant	2,180,087
Head Start	110,872
Title I Grant	6,154,468
STIM Title II	45,052
Title I Sch. Improvement	42,819
Drop out prevention	23,185
Drug Free School	248,674
Title VI-R Grant	2,886,202
Vocational Education	150,581
EHA Pre School Grants	23,202
Food Service	150,845
Building Fund	102,948
Total Other Governmental Funds	12,127,131
Total Intergovernmental Receivables	\$50,680,238

The \$37,438,773 million intergovernmental receivable recorded in the Classroom Facilities Capital Projects Fund at June 30, 2010 represents monies committed by the State of Ohio to the School District for the school facilities construction project currently underway. Under this program, the State approves the projects, and associated funding, in different segments. Total State funding for the project was originally set at \$357.5 million and the amounts approved by the State to date total \$256.6 million. The remaining \$100.8 million of State capital grants will be approved as the project progresses.

**DAYTON CITY SCHOOL DISTRICT**  
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Notes to the Basic Financial Statements  
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**NOTE 9 - CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2010 was as follows:

	Balance 7/1/2009	Additions	Deductions	Balance 6/30/2010
<b><u>Capital Assets, not being depreciated</u></b>				
Land	\$11,599,654	\$30,783	\$0	\$11,630,437
Construction in Progress	99,364,114	74,383,145	(35,500,885)	138,246,374
Total Capital Assets, not being depreciated	<u>110,963,768</u>	<u>74,413,928</u>	<u>(35,500,885)</u>	<u>149,876,811</u>
<b><u>Capital Assets, being depreciated</u></b>				
Buildings and Improvements	253,859,902	36,848,579	(1,790,022)	288,918,459
Furniture and Equipment	9,596,463	748,530	(1,656)	10,343,337
Vehicles	14,724,975	2,304,518	0	17,029,493
Total Capital Assets, being depreciated	<u>278,181,340</u>	<u>39,901,627</u>	<u>(1,791,678)</u>	<u>316,291,289</u>
<b><u>Less: Accumulated Depreciation</u></b>				
Buildings and Improvements	(23,079,309)	(5,196,316)	1,765,644	(26,509,981)
Furniture and Equipment	(5,549,070)	(559,730)	1,277	(6,107,523)
Vehicles	(8,255,008)	(981,982)	0	(9,236,990)
Total Accumulated Depreciation	<u>(36,883,387)</u>	<u>(6,738,028)*</u>	<u>1,766,921</u>	<u>(41,854,494)</u>
Capital Assets, Being Depreciated, Net	<u>241,297,953</u>	<u>33,163,599</u>	<u>(24,757)</u>	<u>274,436,795</u>
Governmental Activities Capital Assets, Net	<u>\$352,261,721</u>	<u>\$107,577,527</u>	<u>(\$35,525,642)</u>	<u>\$424,313,606</u>

\* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$103,164
Special	53,334
Vocational	23,241
Support Services:	
Pupils	10,571
Instructional Staff	14,849
Board of Education	1,533
Administration	26,334
Fiscal	7,248
Business	24,117
Operation and Maintenance of Plant	149,871
Pupil Transportation	931,552
Central	176,619
Operation of Non-Instructional Services	52,776
Extracurricular Activities	39,288
	<u>1,614,497</u>
Unallocated Depreciation	<u>5,123,531</u>
Total Depreciation Expense	<u>\$6,738,028</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
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**NOTE 9 - CAPITAL ASSETS** (continued)

Unallocated depreciation is depreciation of the individual school buildings throughout the School District which essentially serve all functions/programs, and therefore is not included as a direct expense of any function or program but disclosed as a separate expense.

**NOTE 10 - RISK MANAGEMENT**

***A. Property and Liability***

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2010 the School District contracted with Genesis Insurance Company for general liability/school leaders errors and omissions insurance with a \$5 million single occurrence limit and a \$5 million annual policy aggregate. Buildings and contents are covered under Allianz Insurance Company with a \$250,000 deductible.

Risk of direct physical loss or damage, including earth movement and flood, for school construction sites is covered by Great American Insurance Company of New York with a limit of liability of \$150 million for loss of all covered causes and \$30 million for any one construction jobsite location. Pollution coverage is provided by American International Specialty Lines Insurance Company with \$5 million per claim, and \$10 million annual policy aggregate. Builders Risk is covered by Great American Insurance Company of New York with a \$10,000 deductible. Electronic data processing equipment is covered under Fireman's Fund Insurance Company with a \$1,000 deductible.

The School District's vehicles are covered under a business policy with Genesis Insurance Company for primary coverage. This policy carries a \$5 million limit for bodily injury and property damage to third parties. The auto liability self insured retention is \$200,000 per accident. The School District self insures the physical damage coverage on all units.

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from last fiscal year.

***B. Self-Insured Health Benefits***

The School District provides health insurance coverage through a self-insurance plan administered by United Health Care of Ohio, Inc. Employee share of the total monthly premium is 15 percent. The premium varies with each employee depending on the terms of the union contract.

The School District is self-insured for all of its employees' health. The health insurance program is administered by United Health Care, which provides claims review and processing services. The health self-insurance program is accounted for in the Internal Service Fund.

**DAYTON CITY SCHOOL DISTRICT**  
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**NOTE 10 - RISK MANAGEMENT** (continued)

The liability for unpaid claims of \$2,791,000 reported in the Internal Service Fund at June 30, 2010, is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," as amended by GASB Statement No. 30, "Risk Management Omnibus," which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Estimates were calculated based upon an independent actuarial evaluation of claims payable. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claims adjustment expenses. The School District is responsible for all claims.

Changes in claims activity for employee health care benefits for the past two fiscal years are as follows:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2009	\$222,400	\$12,075,067	\$9,886,467	\$2,411,000
2010	\$2,411,000	\$24,062,415	\$23,682,415	\$2,791,000

***C. Workers' Compensation Retrospective Rating Program***

For fiscal year 2010, the School District participated in the Ohio Bureau of Workers' Compensation Retrospective Rating Program. The Retrospective Rating Program is an alternative rating plan that allows employers to initially pay the Bureau of Workers' Compensation significantly less in premiums by assuming the responsibility of paying all compensation and medical expenses for claims incurred in that policy year. The greater the portion of risk assumed by the employer, the greater the potential reduction in premiums. Employers who enroll into this program are responsible for their claims costs for a ten-year period. Under this Program, the School District's maximum payment is 200 percent of the initial premium in total and the loss for any one individual is limited to \$300,000.

The following table summarizes claims payable during the fiscal year:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2009	\$1,893,100	\$309,587	\$285,536	\$1,917,151
2010	\$1,917,151	\$364,820	\$248,914	\$2,033,057

**DAYTON CITY SCHOOL DISTRICT**  
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**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

***A. School Employees Retirement System***

Plan Description - The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension and death benefit obligations with the remainder being used to fund health care benefits; for fiscal year 2010, 12.78 percent of annual covered salary was the portion used to fund pension and death benefit obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009 and 2008 were \$5,839,307, \$3,045,940 and \$2,753,363, respectively; 52.76 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

***B. State Teachers Retirement System of Ohio***

Plan Description - The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 60 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS** (continued)

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2010, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009, and 2008 were \$10,165,329, \$10,031,773, and \$9,421,069, respectively; 82.76 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$319,760 made by the School District and \$228,400 made by the plan members.

**NOTE 12 - POSTEMPLOYMENT BENEFITS**

***A. School Employee Retirement System***

Plan Description – The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2010, 0.46 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2010, this amount was \$35,800.

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

The School District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$797,100, \$1,983,707, and \$1,829,526 respectively ; 52.76 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

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**NOTE 12 - POSTEMPLOYMENT BENEFITS** (continued)

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2010, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008 were \$347,251, \$251,315, and \$42,975, respectively ; 52.76 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

***B. State Teachers Retirement System of Ohio***

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2010, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$781,948, \$771,675, and \$724,698, respectively; 82.76 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

**NOTE 13 - EMPLOYEE BENEFITS**

***A. Compensated Absences***

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Vacation days are credited to classified employees each month and may be accrued up to a maximum of the number of days earned during the fiscal year. Vacation days in excess of the annual number of days earned by the employee may be carried forward only with the approval of the superintendent. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 250 days. Upon retirement, payment is made for one-fourth of the total accumulated and unused sick leave, up to a maximum of 180 days for teachers and administrators and 160 days for classified employees. In addition, classified employees are subject to the following based on length of service:

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**NOTE 13 - EMPLOYEE BENEFITS** (continued)

<u>Length of Service</u>	<u>Paydays</u>
Less than five years	0 Days
Five years to 15 years	30 Days
15 years to 25 years	35 Days
Over 25 years	40 Days

Professional staff members are eligible to accumulate sick days in a severance account once they have accumulated the maximum 250 days of sick leave. These excess days may not be used as sick leave days or “catastrophic illness” donations. Accumulated severance account days will be paid for one-fourth of the accumulated balance, up to a maximum of 45 days.

***B. Other Insurance Benefits***

The School District provides life insurance and accidental death and dismemberment insurance to employees through Hartford Insurance Company.

**NOTE 14 - LONG-TERM OBLIGATIONS**

**General Obligation Bonds**

In prior fiscal years, the School District has issued general obligation bonds with original principal totaling \$251.1 million, in three separate issues, to provide financing for the School District’s school facilities construction project. The Series 2003-A bonds, totaling \$93.5 million, contains serial and term bonds and has a final maturity date of December 1, 2031 and has interest rates ranging from 2.0 percent to 5.0 percent. The \$6 million Series 2003-B bonds are serial bonds with a final maturity date of December 1, 2023 having interest rates ranging from 2.0 percent to 4.23 percent. The Series 2003-D serial bonds, totaling \$151.6 million, has a final maturity date of December 1, 2022 with interest rates ranging from 2.0 percent to 5.0 percent.

These general obligation bonds are direct obligations and pledge the full faith and credit of the School District and will be paid through the Bond Retirement Fund from property taxes collected by the County Auditor.

Annual debt service requirements to maturity for the general obligation bonds are as follows:

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**NOTE 14 - LONG-TERM OBLIGATIONS** (continued)

Fiscal Year Ended June 30,	Principal	Interest	Total
2011	\$ 6,550,000	\$ 10,191,095	\$ 16,741,095
2012	6,815,000	9,884,924	16,699,924
2013	7,610,000	9,533,963	17,143,963
2014	7,960,000	9,150,241	17,110,241
2015	8,330,000	8,748,350	17,078,350
2016-2020	47,475,000	37,404,564	84,879,564
2021-2025	51,690,000	24,683,709	76,373,709
2026-2030	51,765,000	12,787,938	64,552,938
2031-2032	24,480,000	1,239,000	25,719,000
Total	<u>\$ 212,675,000</u>	<u>\$ 123,623,784</u>	<u>\$ 336,298,784</u>

**Swaptions**

On October 13, 2009, the School District entered into a swap agreement with the Bank of New York, Mellon (the Bank), for the Bank to purchase the future issuance of Bond Anticipation Notes which will be used to refund the School District's Series 2003 A and 2003 D General Obligation Bonds. The future Refunding Notes are contemplated by the School Districts Authorizing Resolutions adopted by the Board of Education on April 15, 2008 and amended on January 6, 2009 and October 6, 2009.

Simultaneously, the School District entered into options making the swap transaction a swaption. If exercised, the options would obligate the Bank to pay a variable rate based on the 12 month LIBOR Index and receive a fixed rate from the School District. The Bank paid the School District \$6,655,000 on the 2003 A issue and \$3,030,000 on the 2003 D issue for the Options. Proceeds from the swaptions along with related fees were recorded in the School District's Permanent Improvement Fund, a nonmajor governmental fund, to be used for various capital projects.

The swaptions were both priced "At-The-Market" on October 13, 2009 (the "Trade Date"). An At-The-Money option is one in which the forward rate of the underlying swap is the strike rate of the options. As each option was set at the forward rate, the options had no intrinsic value based on a rate that was higher than the current market at the time of pricing. The full amount received by the School District represents the pure option premium of the underlying swaps at their respective forward rates.

The Notes related to the 2003 A and 2003 D Issues have not been issued to refund up to \$93,455,000 of the 2003 A issue and \$94,505,000 of the 2003 D issue. The Bank has agreed to purchase those notes if the options are exercised by the School District starting 45 calendar days prior to the 15<sup>th</sup> day of each April and October, beginning on April 15, 2013 and ending on October 15, 2018 for the 2003 A Issue and 45 days prior to the 15<sup>th</sup> day of each April and October beginning April 15, 2013 and ending October 15, 2014 for the 2003 D issue. The purpose of the interest rate swap transaction with the Bank would be to hedge the exposure of the School District against interest rate fluctuations arising from the variable rates borne by those Bond Anticipation Notes. Under the swap agreement, the School District would be the fixed rate payer, paying 4.675 % on the 2003 A Refunding Notes and 4.495 % on the 2003 (D) issue. The counterparty, the Bank of New York, Mellon, would be the floating rate payer, paying the actual variable rate borne by the notes. The floating rates would be determined in accordance with the 12 month LIBOR Index.

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**NOTE 14 - LONG-TERM OBLIGATIONS** (continued)

In the event the options are exercised, the School District will issue the notes as originally contemplated by the aforementioned Note Resolutions and the fixed rate of the swap will be the respective strike rate of the option plus the rate paid to the purchasers of the Notes less the floating index payment of 12 month LIBOR. Both the Note rate and the LIBOR Index are known and fixed for a term of one year at the beginning of each annual Note roll date (both adjusted for short periods at the beginning and end of the swap). Additionally, the notional amount of the swaps is equal to the par amount of the Refunding Notes and both are set to mature at the expected end date of the last Note Renewal.

The fair value of the swaptions at June 30, 2010 were \$11,179,619 for series 2003 A and \$6,455,222 for series 2003 D. Changes in fair value during the reporting period were (\$4,524,619) for series 2003 A and (\$3,425,222) for series 2003 D. Fair values and changes in fair values were based on the original price paid by the Bank on the Trade Date and the closing curves for the interest rate swaps and volatilities as provided by Bloomberg for June 30, 2010. Changes in fair value were reported on the statement of net assets as an increase in Long Term Liability Due in More Than One Year (Embedded Derivative) and on the Statement of Activities as a decrease in interest revenue.

Proceeds of \$6,655,000 and \$3,030,000 from the sale of the options were recorded in the fund financial statements as an other financing source. Those proceeds which approximate fair value, were then recorded on the statement of net assets as a Long Term Liability Due in More Than One Year (Embedded Derivative).

Objective: The School District entered into the swap (swaptions) in order to maximize the savings associated with the aforementioned refunding of bonds and to reduce the School Districts risk exposure. The actual overall savings to be realized by the School District will depend upon the net payments received under the swap agreements.

Terms: In October, 2009, the School District sold options to the Bank and the Bank has agreed to purchase the aforementioned refunding notes if the options are exercised by the School District within the previously stated exercise dates on a declining notional amount equal to the outstanding principal amounts of the 2003A and 2003D bond issues. Under the swap agreements, the School District will be the fixed rate payer, paying the fixed rates described above, and the Bank will be the floating rate payer, paying interest on the outstanding notional amounts on the outstanding notional amounts described above at a rate equal to the 12 month Libor Index. If the options for the 2003A and 2003D issues are exercised, the stated termination dates under the swap agreements with the Bank would be September 1, 2031 for 2003A and September 1, 2022 for 2003D.

Basis Risk: There is no basis risk for the School District associated with this transaction with the exception of the risk inherent in all variable rate debt. The school District pays or would pay fixed rates as agreed upon between the School District and the Bank, which rates approximate but do not exactly equal the fixed rates the School District is paying on the existing bonded debt for the issues. The Bank will be paying the 12 month LIBOR rate, however, it simultaneously has agreed to purchase the notes: in effect the Bank would be paying itself and would receive the fixed rate inherent in the note purchase agreements.

Termination Risk: The swap agreements may be terminated prior to their stated termination date under certain circumstances. Upon termination, a payment may be owed by the School District to the Bank, or by the Bank to the School District, depending upon the prevailing economic circumstances at the time of the termination.

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**NOTE 14 - LONG-TERM OBLIGATIONS** (continued)

Certificates of Participation

During fiscal year 2004, the School District issued \$16.36 million of certificates of participation to finance the purchase of an administrative office building and to provide financing for the acquisition of additional office space. These certificates mature on December 31, 2028 and have interest rates ranging from 2.0 percent to 6.0 percent. The certificates of participation will be paid through the General Fund.

Annual debt service requirements to maturity for the certificate of participation are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2011	\$ 310,000	\$ 784,152	\$ 1,094,152
2012	345,000	771,199	1,116,199
2013	380,000	756,137	1,136,137
2014	420,000	738,088	1,158,088
2015	460,000	717,188	1,177,188
2016-2020	3,060,000	3,168,869	6,228,869
2021-2025	4,755,000	2,072,625	6,827,625
2026-2029	5,340,000	586,425	5,926,425
Total	<u>\$ 15,070,000</u>	<u>\$ 9,594,683</u>	<u>\$ 24,664,683</u>

Qualified Zone Academy Bond

In August 2000, the School District was authorized to issue \$10 million in Quality Zone Academy Bonds (QZAB), in accordance with Section 226 of the Taxpayer Relief Act of 1997 (Public Law 105-34), for use in the renovations of the Stivers Middle School and the creation of an Arts program in Dayton. On December 30, 2002 the School District issued the \$10 million QZAB that matures on December 30, 2016. The entire principal balance of \$10 million is due at maturity and the bonds do not bear interest. To satisfy escrow requirements of the program, the School District placed \$5.1 million, which has a current market value of \$8.6 million, in an escrow account with a local bank. This amount is included as Cash and Cash Equivalents with Fiscal Agents on the statement of net assets, as well as the Classroom Facilities Capital Projects Fund.

Long-Term Tax Anticipation Notes

On June 9, 2004 the School District issued \$3.5 million of long-term tax anticipation notes to provide financing for various capital improvements throughout the School District. These notes, which mature on December 1, 2014, were issued in anticipation of the collection of half of the proceeds of the one mill permanent improvement levy approved by electors of the School District on November 5, 2002. These notes carry an annual interest rate of 3.66 percent. The School District has pledged future tax revenues to repay these notes. The total principal and interest remaining to be paid at June 30, 2010 was \$1,910,125. Principal and interest paid during the fiscal year and total tax revenues for the permanent improvement fund were \$420,277 and \$590,217, respectively.

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For the Fiscal Year Ended June 30, 2010

**NOTE 14 - LONG-TERM OBLIGATIONS** (continued)

Annual debt service requirements to maturity for the long-term tax anticipation notes are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2011	\$ 350,000	\$ 57,645	\$ 407,645
2012	350,000	44,835	394,835
2013	350,000	32,025	382,025
2014	350,000	19,215	369,215
2015	350,000	6,405	356,405
Total	<u>\$ 1,750,000</u>	<u>\$ 160,125</u>	<u>\$ 1,910,125</u>

**Changes in Long-Term Liabilities**

Long- term liability activity for the year ended June 30, 2010, was as follows:

	Balance 7/1/2009	Increase	Decrease	Balance 6/30/2010	Due within One Year
<b><u>General Obligation Bonds:</u></b>					
2003-A School Construction:					
2.0-5.0 percent	\$ 93,475,000	\$ -	\$ 5,000	\$ 93,470,000	\$ 5,000
2003-B School Construction:					
2.0-4.23 percent	4,800,000	-	255,000	4,545,000	260,000
2003-D School Construction:					
2.0-5.0 percent	120,695,000	-	6,035,000	114,660,000	6,285,000
Add: Unamortized Bond Premium	9,596,297	-	525,992	9,070,305	-
<b>Total General Obligation Bonds</b>	<b>228,566,297</b>	<b>-</b>	<b>6,820,992</b>	<b>221,745,305</b>	<b>6,550,000</b>
QZAB Bonds - 0.0 percent	10,000,000	-	-	10,000,000	-
Embedded Derivative (Options)	-	17,634,841	-	17,634,841	-
Certificates of Participation	15,350,000	-	280,000	15,070,000	310,000
Long-Term Tax Anticipation Notes	2,100,000	-	350,000	1,750,000	350,000
Claims Payable	4,328,151	24,427,235	23,931,329	4,824,057	1,390,903
Capital Lease Obligations	3,311,491	-	606,334	2,705,157	632,900
Compensated Absences Payable	6,311,363	199,831	470,377	6,040,817	373,092
<b>Long-Term Obligations</b>	<b>\$ 269,967,302</b>	<b>\$ 42,261,907</b>	<b>\$ 32,459,032</b>	<b>\$ 279,770,177</b>	<b>\$ 9,606,895</b>

Compensated absences will be paid from General Fund, Auxiliary Services Fund, Management Information System Fund, Public School Preschool Fund, Title VI-B Fund, Vocational Education Fund, Head Start Fund, Title I Fund, Title VI-R Classroom Size Reduction Fund, Miscellaneous State Grants Fund, Food Service Fund, Welcome Stadium Fund, Stabilization Fund, Building Fund and Retrospective Workers' Compensation Fund. Capital leases obligations are being paid from the General Fund.

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Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 14 - LONG-TERM OBLIGATIONS** (continued)

Due to the magnitude of the school facilities construction project, the debt issued by the School District exceeded the overall debt margin as permitted by Ohio statute. However, the School District was declared a “special needs” school district by the Superintendent of Public Instruction as defined by Section 133.06 of the Ohio Revised Code. Under this special exemption, the School District’s capacity for additional debt is approximately \$21.0 million.

**NOTE 15 - CAPITAL LEASES - LESSEE DISCLOSURE**

In prior fiscal years, the School District entered into various lease agreements to acquire capital assets. These lease agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments made from governmental funds have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reported as program/function expenditures on a budgetary basis.

Capital assets acquired by lease have been capitalized in the statement of net assets for governmental activities in the amount of \$7,985,851 (\$6,260,559 of vehicles and \$1,725,292 of equipment), which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability was split between long-term liabilities due within a year and long-term liabilities due within more than one year on the statement of net assets for governmental activities. Principal payments in fiscal year 2010 totaled \$606,334.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2010

Fiscal Year Ended June 30,	Total Payments
2011	\$739,754
2012	739,753
2013	648,632
2014	375,271
2015	359,652
2016	125,236
Total	2,988,298
Less: Amount Representing Interest	(283,141)
Present Value of Net Minimum Lease Payments	\$2,705,157

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 16 - INTERFUND ACTIVITY**

As of June 30, 2010 principal components of interfund balances and transactions were as follows:

		Due from Other Funds			Total
		General Fund	Other Governmental Funds	Internal Service Fund	
<b>Due to Other Funds</b>	Other				
	Governmental Funds	\$3,077,510	\$ 7,463	\$ 2,706	\$3,087,679

The majority of due to other funds represents cash advances to grant funds for cash flow purposes by the General Fund. The remainder of the due to and due from other funds represents corrections in accounting entries applicable to fiscal year 2010 but not posted until after year-end or for reimbursement for expenditures of one fund spent on behalf of another fund.

		Transfers From		
		General Fund	Other Governmental Funds	Total
<b>Transfers To</b>	General	\$ -	\$ 424,972	\$ 424,972
	Other			
	Governmental Funds	3,015,993	19,077	3,035,070
	Internal Service Fund	924,665		924,665
	Total	<u>\$ 3,940,658</u>	<u>\$ 444,049</u>	<u>\$ 4,384,707</u>

The transfers represent permanent transfers of funds to different programs and operations with General Fund unrestricted revenues and as allowed by statute. The transfer to the internal service funds represents financial resources spent by the General Fund for warehouse operating expenses which were reclassified for reporting purposes. The Miscellaneous State Grants Special Revenue Fund had a transfer out to the Stimulus Title II Technology Special Revenue Fund of \$19,077, to move the fund balance to a new grant fund. The balance of a non-active fund was moved to the General Fund

**NOTE 17 - SET-ASIDE CALCULATIONS**

The School District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future fiscal years. The following cash basis information describes the change in the fiscal year-end set-aside amounts for textbooks and capital acquisitions. Disclosure of this information is required by State statute.

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Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 17 - SET-ASIDE CALCULATIONS** (continued)

	Textbooks	Capital Acquisitions
Carry-over from Prior Fiscal Year	(\$135,368)	\$0
Current Fiscal Year Set-aside Requirement	2,469,690	2,469,690
Qualifying Disbursements	(4,461,640)	0
Current Fiscal Year Revenue Off-Sets	0	(10,682,404)
Subtotal	(\$2,127,318)	(\$8,212,714)
Amount Carried Forward to Subsequent Fiscal Year	(\$2,127,318)	\$0

During fiscal year 2010, the School District utilized the tax receipts recorded in the Bond Retirement Debt Service Fund as an off-set to the capital spending requirement. These tax receipts are used to repay the debt issued to finance the various school construction projects throughout the School District. As this offset amount exceeded the annual spending requirement, and excess amounts are not permitted to be carried forward to the subsequent fiscal year, it was not necessary to report any qualifying disbursements for the fiscal year.

**NOTE 18 - CONTINGENCIES**

***A. Grants***

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2010.

***B. Litigation***

The School District is party to legal proceedings. The School District is of the opinion that the ultimate disposition of claims will not have a material effect, if any, on the financial condition of the School District.

**NOTE 19 – CONSTRUCTION COMMITMENTS**

At June 30, 2010 the School District had open purchase orders associated with the school facilities construction project totaling \$75.1 million; \$65.4 million in the Classroom Facilities capital project fund and \$9.7 million in the Building capital project fund.

## Major Governmental Funds

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### MAJOR GOVERNMENTAL FUNDS

The focus of the fund financial statements presented in the basic financial statements is on the School District's most significant funds (major funds). Therefore these fund financial statements present the major funds separate from the other governmental funds of the School District. As required by Generally Accepted Accounting Principles for state and local governments, budgetary comparison statements in the basic financial statements are limited to the General Fund and any major special revenue funds. The School District has no major special revenue funds.

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#### General Fund

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

Since the Statement of Revenues, Expenditures and Changes in Fund Balance presented in the basic financial statements for the General Fund presents budgetary comparisons at a greater level of detail than the legal level of control established by the Board of Education, no additional schedules are necessary to demonstrate budgetary compliance.

#### Bond Retirement Fund

The Bond Retirement Fund is used to account for the accumulation of resources for, and the repayment of, the School District's general obligation debt, including the school improvement bonds previously approved by voters within the School District's boundaries.

#### Classroom Facilities Fund

The Classroom Facilities Fund is used to account for financial resources, including intergovernmental capital grants and the proceeds from the sale of debt obligations, and construction costs associated with the basic requirements of the master plan associated with the School District's school facilities projects.

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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BOND RETIREMENT FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 9,810,761	\$ 10,071,136	\$ 10,682,404	\$ 611,268
Intergovernmental	3,420,795	3,511,582	2,908,559	(603,023)
Interest	23,153	23,768	19,686	(4,082)
<b>Total Revenues</b>	<b>13,254,709</b>	<b>13,606,486</b>	<b>13,610,649</b>	<b>4,163</b>
Expenditures:				
Debt Service:				
Principal Retirement	9,288,277	9,288,277	6,295,000	2,993,277
Interest and Fiscal Charges	15,751,890	15,751,890	10,675,623	5,076,267
<b>Total Expenditures</b>	<b>25,040,167</b>	<b>25,040,167</b>	<b>16,970,623</b>	<b>8,069,544</b>
<b>Net Change in Fund Balance</b>	<b>(11,785,458)</b>	<b>(11,433,681)</b>	<b>(3,359,974)</b>	<b>8,073,707</b>
Fund Balance at Beginning of Year	11,939,499	11,899,332	11,899,332	-
Prior Year Encumbrances Appropriated	40,168	40,168	40,168	-
<b>Fund Balance at End of Year</b>	<b>\$ 194,209</b>	<b>\$ 505,819</b>	<b>\$ 8,579,526</b>	<b>\$ 8,073,707</b>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
CLASSROOM FACILITIES FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 44,510,413	\$ 42,599,775	\$ 42,599,775	\$ -
Interest	1,038,076	993,515	993,515	-
Miscellaneous	51,511	49,300	49,300	-
<b>Total Revenues</b>	<b>45,600,000</b>	<b>43,642,590</b>	<b>43,642,590</b>	<b>-</b>
Expenditures:				
Support Services:				
Fiscal	200,306	177,819	166,686	11,133
Capital Outlay	162,179,316	143,973,078	134,958,641	9,014,437
<b>Total Expenditures</b>	<b>162,379,622</b>	<b>144,150,897</b>	<b>135,125,327</b>	<b>9,025,570</b>
<b>Net Change in Fund Balance</b>	<b>(116,779,622)</b>	<b>(100,508,307)</b>	<b>(91,482,737)</b>	<b>9,025,570</b>
Fund Balance at Beginning of Year	117,455,045	70,253,301	70,253,301	-
Prior Year Encumbrances Appropriated	48,761,182	47,201,743	47,201,743	-
<b>Fund Balance at End of Year</b>	<b>\$ 49,436,605</b>	<b>\$ 16,946,737</b>	<b>\$ 25,972,307</b>	<b>\$ 9,025,570</b>

## Nonmajor Governmental Funds

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### NONMAJOR SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects or expendable trusts) that are legally restricted to expenditure for specified purposes.

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#### Other Grant Rotary

A fund used to account for a grant that Wright State University receives from the Department of Education. A portion of the grant is received by the District, from Wright State University, for the Reading Recovery Program.

#### Public School Support

To account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sale of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

#### Other Grants

A fund used to account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

#### Computer Networks

A fund used to account for the proceeds of state revenue provided for the operation of the School District's computer network and operations.

#### Education Foundation

A fund provided to account for General Fund transfers and the proceeds of any bequest or gift given to the School District without condition or limitations. Funds are to be used for operating or capital costs for programs designed to enhance or promote education within the District. Budgetary information for the Education Foundation special revenue fund is not reported because it is not included in the entity for which the "appropriate budget" is adopted and does not maintain separate budgetary records.

#### Maintenance of Classroom Facilities

A fund used to account for proceeds of a one-mill property tax levy to provide for the maintenance of classroom facilities.

#### District Managed Student Activities

To account for local funds generated to assist student activities, which are managed by District personnel. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corps, and other similar types of activities.

#### Auxiliary Services

A fund used to account for monies which provide services and materials to pupils attending non-public schools within the School District.

#### Management Information Systems

To account for state funds that are provided to assist the District in implementing a staff, student and financial information system as mandated by the Omnibus Education Reform Act of 1989.

#### Public School Preschool

A fund to assist school districts in paying the cost of preschool programs for three and four-year olds.

(continued)

## Nonmajor Governmental Funds

(Continued)

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### NONMAJOR SPECIAL REVENUE FUNDS (Continued)

#### Entry Year Program

A fund to account for State grants aimed at providing funding to the School District for structured training of entry level teachers.

#### Data Communications

A fund used to account for monies for the purpose of accessing the Ohio Education Computer Network.

#### SchoolNet Professional Development

To account for state funds provided for technology professional development within the District.

#### Textbooks/Instructional Material Subsidy

To account for state funds provided for the purchase of textbooks and instructional materials.

#### Vocational Education Enhancement

To account for vocational education enhancements that expand the number of students enrolled in tech programs, and also enables students to develop career plans, to identify initial educational and career goals, and to develop a career passport which provides a clear understanding of the student's knowledge, skills and credentials to present to future employers, universities, and other training institutes. This fund is also used to replace or update equipment essential for the instruction of students in job skills taught as part of a vocational program or programs approved for such instruction by the State Board of Education.

#### Alternative Schools

A fund used to account for alternative education programs for existing and new at-risk and delinquent youths.

#### Parity Aid

To account for revenues received through the state foundation program's parity aid which replaced the disadvantaged pupil impact aid program.

#### Miscellaneous State Grants

To account for revenues received from state agencies which are not classified elsewhere.

#### Adult Basic Education

A fund used to account for instructional programs for persons sixteen years of age and older who are not enrolled in school and who have less than a twelfth-grade education or its equivalent. These programs are designed to develop basic educational skills; increase opportunities for useful employment; and improve attitudes toward self, family, and community.

#### Title VI-B

To account for monies received under a federal grant to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full education opportunities to handicapped children at the elementary and secondary levels.

#### Vocational Education

A fund used to account for revenues provided to boards of education, teacher training instructions, and the state administering agency for cooperating in development of vocational education programs in the following categories: secondary, post-secondary adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, construction of area vocational schools, ancillary services, research, advisory committees, and work-study projects.

## Nonmajor Governmental Funds

(Continued)

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### NONMAJOR SPECIAL REVENUE FUNDS (Continued)

#### Head Start

A fund used to account for federal monies provided to income eligible families for preschool.

#### State Fiscal Stabilization

This fund accounts for the School District's allocation from the State Fiscal Stabilization Fund. These funds are intended to help stabilize State and local budgets in order to minimize and avoid reductions in education and other essential services.

#### Title II-D Technology

This fund accounts for federal funds used to create technology-enabled learning environments in which students will meet or exceed the State academic content standards and develop 21<sup>st</sup> century skills.

#### Title I School Improvement Stimulus A

This fund accounts for federal funds used to provide supplemental funding to economically disadvantaged districts and some of their eligible schools for improving educational outcomes for students who are failing or at risk of failing to meet State standards.

#### Dropout Prevention and Intervention

A fund used to account for federal monies provided for elementary and secondary school programs designed to assist students to meet grade promotion and graduation standards.

#### Title I

To account for monies received under a federal grant to assist schools in meeting the special needs of educationally deprived children.

#### Title VI

To consolidate various programs into a single authorization of grants to states for the same purposes set forth in the provisions of law as specified in the authorization section, to be used in accordance with the educational needs and priorities of the state and local agencies.

#### Drug Free Schools Program

To account for monies received under a federal program to support the implementation of programs for drug abuse education and prevention.

#### EHA Preschool Grants for the Handicapped

A fund used to account for federal grant dollars to improve and expand the services for handicapped children ages three to five years.

#### E-Rate Grant

To account for federal grant funds which are paid directly to the telecommunications provider of the district.

#### Title VI-R Classroom Size Reduction

A fund used to account for monies to hire additional classroom teachers in grades one through three, so that the number of students per teachers will be reduced.

#### Miscellaneous Federal Grants

To account for monies received under federal grants which are not classified elsewhere.

## Nonmajor Governmental Funds

(Continued)

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### NONMAJOR SPECIAL REVENUE FUNDS (Continued)

#### Special Trust

To account for monies assets held by the School District, which were donated by individuals, private organizations, other governments and/or other funds, to be used for School District related activities.

#### Food Service

To account for the financial transactions related to the food service operations of the School District.

#### Uniform School Supplies

To account for the purchase and sale of school supplies as adopted by the Board of Education for use in the School District.

#### Welcome Stadium

To account for the financial transactions associated with the rental and operating costs for the School District owned stadium.

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### NONMAJOR CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings and additions to existing buildings, or for major renovation projects, other than those financed by proprietary funds.

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#### Permanent Improvement

To account for resources, including a local property tax levy, to be used for the acquisition or maintenance of general capital assets.

#### Building

The Building Fund is used to account for financial resources, including proceeds from the sale of debt obligations, other local funds, and construction costs associated with the local initiatives involved in the School District's school facilities projects.

#### SchoolNet

A fund used to account for monies used to obtain computers and related educational technology equipment and/or the necessary infrastructure for educational technology.

#### Interactive Video Distance Learning

To account for monies received through a State grant to provide schools with the necessary equipment to facilitate video and teleconferencing capabilities to allow remote learning opportunities.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 14,591,204	\$ 30,974,076	\$ 45,565,280
Cash and Cash Equivalents with Fiscal Agent	603,044	-	603,044
Receivables:			
Property and Other Taxes - Current	594,070	459,414	1,053,484
Property and Other Taxes - Delinquent	214,257	214,257	428,514
Accounts	26,169	94,023	120,192
Intergovernmental	12,024,183	102,948	12,127,131
Accrued Interest	-	33,993	33,993
Due from Other Funds	7,463	-	7,463
Prepaid Items	-	78,495	78,495
Inventory Held for Resale	97,689	-	97,689
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 28,158,079</u>	<u>\$ 31,957,206</u>	<u>\$ 60,115,285</u>
<u>Liabilities and Fund Balances:</u>			
Liabilities:			
Accounts Payable	\$ 1,767,424	\$ 611,259	\$ 2,378,683
Accrued Wages and Benefits Payable	2,748,788	15,365	2,764,153
Intergovernmental Payable	1,035,029	29,926	1,064,955
Due to Other Funds	3,087,679	-	3,087,679
Deferred Revenue	10,068,386	677,329	10,745,715
Matured Compensated Absences Payable	58,860	-	58,860
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>18,766,166</u>	<u>1,333,879</u>	<u>20,100,045</u>
Fund Balances:			
Reserved for:			
Encumbrances	2,011,106	11,104,460	13,115,566
Supplies Inventory	97,689	-	97,689
Property Taxes	30,335	30,335	60,670
Prepaid Items	-	78,495	78,495
Unreserved, Undesignated:			
Special Revenue Funds	7,252,783	-	7,252,783
Capital Projects Funds	-	19,410,037	19,410,037
	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances	<u>9,391,913</u>	<u>30,623,327</u>	<u>40,015,240</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities and Fund Balance	<u>\$ 28,158,079</u>	<u>\$ 31,957,206</u>	<u>\$ 60,115,285</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2010

	Other Grant Rotary	Public School Support	Other Grants	Computer Networks
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 111,564	\$ 883,448	\$ 648,264	\$ 5,504
Cash and Cash Equivalents with Fiscal Agent	-	-	-	-
Receivables:				
Property and Other Taxes - Current	-	-	-	-
Property and Other Taxes - Delinquent	-	-	-	-
Accounts	-	-	8,978	-
Intergovernmental	-	-	-	-
Due from Other Funds	-	-	-	-
Inventory Held for Resale	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 111,564</u>	<u>\$ 883,448</u>	<u>\$ 657,242</u>	<u>\$ 5,504</u>
<u>Liabilities and Fund Balances:</u>				
Liabilities:				
Accounts Payable	\$ 521	\$ 17,810	\$ 39,131	\$ -
Accrued Wages and Benefits Payable	-	1,229	-	-
Intergovernmental Payable	-	4,507	302	-
Due to Other Funds	-	330	21,529	-
Deferred Revenue	-	-	-	-
Matured Compensated Absences Payable	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>521</u>	<u>23,876</u>	<u>60,962</u>	<u>-</u>
Fund Balances:				
Reserved for:				
Encumbrances	577	-	24,967	5,504
Supplies Inventory	-	-	-	-
Property Taxes	-	-	-	-
Unreserved, Undesignated (Deficit)	<u>110,466</u>	<u>859,572</u>	<u>571,313</u>	<u>-</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances (Deficit)	<u>111,043</u>	<u>859,572</u>	<u>596,280</u>	<u>5,504</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 111,564</u>	<u>\$ 883,448</u>	<u>\$ 657,242</u>	<u>\$ 5,504</u>

Education Foundation	Maintenance of Classroom Facilities	District Managed Student Activities	Auxiliary Services	Management Information Systems	Public School Preschool
\$ -	\$ 7,910,436	\$ 293,632	\$ 561,672	\$ 4,180	\$ 79,988
603,044	-	-	-	-	-
-	594,070	-	-	-	-
-	214,257	-	-	-	-
-	-	-	-	-	13,080
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 603,044</u>	<u>\$ 8,718,763</u>	<u>\$ 293,632</u>	<u>\$ 561,672</u>	<u>\$ 4,180</u>	<u>\$ 93,068</u>
\$ -	\$ 570	\$ -	\$ 148,411	\$ 31	\$ 1,680
-	-	-	14,727	1,727	4,167
-	-	5,123	4,776	2,965	11,712
200,000	-	-	-	-	3,882
-	777,992	-	-	-	-
-	-	-	17,453	-	-
<u>200,000</u>	<u>778,562</u>	<u>5,123</u>	<u>185,367</u>	<u>4,723</u>	<u>21,441</u>
-	237,266	6,954	136,987	-	547
-	-	-	-	-	-
-	30,335	-	-	-	-
<u>403,044</u>	<u>7,672,600</u>	<u>281,555</u>	<u>239,318</u>	<u>(543)</u>	<u>71,080</u>
<u>403,044</u>	<u>7,940,201</u>	<u>288,509</u>	<u>376,305</u>	<u>(543)</u>	<u>71,627</u>
<u>\$ 603,044</u>	<u>\$ 8,718,763</u>	<u>\$ 293,632</u>	<u>\$ 561,672</u>	<u>\$ 4,180</u>	<u>\$ 93,068</u>

(Continued)

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2010  
 (Continued)

	<u>Entry Year</u> <u>Program</u>	<u>Data</u> <u>Communications</u>	<u>Vocational</u> <u>Education</u> <u>Enhancement</u>	<u>Alternative</u> <u>Schools</u>
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,000	\$ 5	\$ 4,000	\$ 12,291
Cash and Cash Equivalents with Fiscal Agent	-	-	-	-
Receivables:				
Property and Other Taxes - Current	-	-	-	-
Property and Other Taxes - Delinquent	-	-	-	-
Accounts	-	-	-	-
Intergovernmental	-	-	-	8,196
Due from Other Funds	-	-	-	-
Inventory Held for Resale	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,000</u>	<u>\$ 5</u>	<u>\$ 4,000</u>	<u>\$ 20,487</u>
<u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ -	\$ -	\$ -	\$ 12
Accrued Wages and Benefits Payable	-	-	-	1,446
Intergovernmental Payable	-	-	-	1,425
Due to Other Funds	-	-	4,000	13,177
Deferred Revenue	-	-	-	7,272
Matured Compensated Absences Payable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>23,332</u>
<u>Fund Balances:</u>				
Reserved for:				
Encumbrances	-	5	-	5,488
Supplies Inventory	-	-	-	-
Property Taxes	-	-	-	-
Unreserved, Undesignated (Deficit)	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>(8,333)</u>
Total Fund Balances (Deficit)	<u>1,000</u>	<u>5</u>	<u>-</u>	<u>(2,845)</u>
Total Liabilities and Fund Balances	<u>\$ 1,000</u>	<u>\$ 5</u>	<u>\$ 4,000</u>	<u>\$ 20,487</u>

<u>Miscellaneous State Grants</u>	<u>Adult Basic Education</u>	<u>Title VI-B</u>	<u>Vocational Education</u>	<u>Head Start</u>	<u>State Fiscal Stabilization</u>
\$ 76,401	\$ -	\$ 243,790	\$ 337,168	\$ 89,125	\$ 163,665
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	4,111	-	-	-
-	-	2,180,087	150,581	110,872	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 76,401</u>	<u>\$ -</u>	<u>\$ 2,427,988</u>	<u>\$ 487,749</u>	<u>\$ 199,997</u>	<u>\$ 163,665</u>
\$ 46,607	\$ -	\$ 143,375	\$ 91,112	\$ 25,858	\$ 15,625
-	-	134,519	10,220	25,213	1,734,306
-	-	135,736	4,631	43,200	397,461
138	-	149,148	150,000	200,000	-
-	-	2,180,087	150,581	-	-
-	2,154	5,629	-	-	19,274
<u>46,745</u>	<u>2,154</u>	<u>2,748,494</u>	<u>406,544</u>	<u>294,271</u>	<u>2,166,666</u>
-	-	99,046	175,230	35,989	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>29,656</u>	<u>(2,154)</u>	<u>(419,552)</u>	<u>(94,025)</u>	<u>(130,263)</u>	<u>(2,003,001)</u>
<u>29,656</u>	<u>(2,154)</u>	<u>(320,506)</u>	<u>81,205</u>	<u>(94,274)</u>	<u>(2,003,001)</u>
<u>\$ 76,401</u>	<u>\$ -</u>	<u>\$ 2,427,988</u>	<u>\$ 487,749</u>	<u>\$ 199,997</u>	<u>\$ 163,665</u>

(Continued)

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2010  
 (Continued)

	Title II-D Technology	Title I School Improvement Stimulus A	Dropout Prevention and Intervention	Title I
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 94,200	\$ -	\$ 21,177	\$ 2,133,405
Cash and Cash Equivalents with Fiscal Agent	-	-	-	-
Receivables:				
Property and Other Taxes - Current	-	-	-	-
Property and Other Taxes - Delinquent	-	-	-	-
Accounts	-	-	-	-
Intergovernmental	45,052	42,819	23,185	6,154,468
Due from Other Funds	-	-	-	-
Inventory Held for Resale	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<b><u>\$ 139,252</u></b>	<b><u>\$ 42,819</u></b>	<b><u>\$ 44,362</u></b>	<b><u>\$ 8,287,873</u></b>
<u>Liabilities and Fund Balances:</u>				
Liabilities:				
Accounts Payable	\$ 457	\$ -	\$ 3,002	\$ 994,249
Accrued Wages and Benefits Payable	6,078	-	2,311	588,141
Intergovernmental Payable	1,113	-	3,428	194,900
Due to Other Funds	-	-	424	1,876,710
Deferred Revenue	45,052	42,819	23,185	4,134,510
Matured Compensated Absences Payable	-	-	-	14,091
	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,091</u>
<b>Total Liabilities</b>	<b><u>52,700</u></b>	<b><u>42,819</u></b>	<b><u>32,350</u></b>	<b><u>7,802,601</u></b>
Fund Balances:				
Reserved for:				
Encumbrances	7,429	-	5,296	1,133,720
Supplies Inventory	-	-	-	-
Property Taxes	-	-	-	-
Unreserved, Undesignated (Deficit)	<u>79,123</u>	<u>-</u>	<u>6,716</u>	<u>(648,448)</u>
<b>Total Fund Balances (Deficit)</b>	<b><u>86,552</u></b>	<b><u>-</u></b>	<b><u>12,012</u></b>	<b><u>485,272</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 139,252</u></b>	<b><u>\$ 42,819</u></b>	<b><u>\$ 44,362</u></b>	<b><u>\$ 8,287,873</u></b>

<u>Title VI</u>	<u>Drug Free Schools Program</u>	<u>EHA Preschool Grants for the Handicapped</u>	<u>Title VI-R Classroom Size Reduction</u>	<u>Miscellaneous Federal Grants</u>	<u>Special Trust</u>
\$ 5,222	\$ 79,354	\$ 16,685	\$ 129,103	\$ 132,932	\$ 70,166
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	248,674	23,202	2,886,202	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 5,222</u>	<u>\$ 328,028</u>	<u>\$ 39,887</u>	<u>\$ 3,015,305</u>	<u>\$ 132,932</u>	<u>\$ 70,166</u>
\$ -	\$ 6,509	\$ 1,012	\$ 47,556	\$ 6,917	\$ -
-	965	1,884	145,338	40,775	-
-	516	6,414	49,811	8,467	-
-	-	38,408	312,443	117,490	-
-	248,674	23,202	2,435,012	-	-
-	-	-	-	-	-
-	256,664	70,920	2,990,160	173,649	-
-	678	11,974	67,590	8,038	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,222</u>	<u>70,686</u>	<u>(43,007)</u>	<u>(42,445)</u>	<u>(48,755)</u>	<u>70,166</u>
<u>5,222</u>	<u>71,364</u>	<u>(31,033)</u>	<u>25,145</u>	<u>(40,717)</u>	<u>70,166</u>
<u>\$ 5,222</u>	<u>\$ 328,028</u>	<u>\$ 39,887</u>	<u>\$ 3,015,305</u>	<u>\$ 132,932</u>	<u>\$ 70,166</u>

(Continued)

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2010  
 (Continued)

	Food Service	Uniform School Supplies	Welcome Stadium	Total
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 106,953	\$ 8,593	\$ 367,281	14,591,204
Cash and Cash Equivalents with Fiscal Agent	-	-	-	603,044
Receivables:				
Property and Other Taxes - Current	-	-	-	594,070
Property and Other Taxes - Delinquent	-	-	-	214,257
Accounts	-	-	-	26,169
Intergovernmental	150,845	-	-	12,024,183
Due from Other Funds	7,463	-	-	7,463
Inventory Held for Resale	97,689	-	-	97,689
	<u>362,950</u>	<u>8,593</u>	<u>367,281</u>	<u>28,158,079</u>
Total Assets	<u>\$ 362,950</u>	<u>\$ 8,593</u>	<u>\$ 367,281</u>	<u>\$ 28,158,079</u>
<u>Liabilities and Fund Balances:</u>				
Liabilities:				
Accounts Payable	\$ 176,798	\$ -	\$ 181	\$ 1,767,424
Accrued Wages and Benefits Payable	35,403	-	339	2,748,788
Intergovernmental Payable	158,273	-	269	1,035,029
Due to Other Funds	-	-	-	3,087,679
Deferred Revenue	-	-	-	10,068,386
Matured Compensated Absences Payable	259	-	-	58,860
	<u>370,733</u>	<u>-</u>	<u>789</u>	<u>18,766,166</u>
Total Liabilities	<u>370,733</u>	<u>-</u>	<u>789</u>	<u>18,766,166</u>
Fund Balances:				
Reserved for:				
Encumbrances	-	170	47,651	2,011,106
Supplies Inventory	97,689	-	-	97,689
Property Taxes	-	-	-	30,335
Unreserved, Undesignated (Deficit)	<u>(105,472)</u>	<u>8,423</u>	<u>318,841</u>	<u>7,252,783</u>
Total Fund Balances (Deficit)	<u>(7,783)</u>	<u>8,593</u>	<u>366,492</u>	<u>9,391,913</u>
Total Liabilities and Fund Balances	<u>\$ 362,950</u>	<u>\$ 8,593</u>	<u>\$ 367,281</u>	<u>\$ 28,158,079</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2010

	Permanent Improvement	Building	Interactive Video Distance Learning	Total Nonmajor Capital Projects Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 11,496,844	\$ 19,466,090	\$ 11,142	\$ 30,974,076
Receivables:				
Property and Other Taxes - Current	459,414	-	-	459,414
Property and Other Taxes - Delinquent	214,257	-	-	214,257
Accounts	-	94,023	-	94,023
Intergovernmental	-	102,948	-	102,948
Accrued Interest	-	33,993	-	33,993
Prepaid Items	-	78,495	-	78,495
<b>Total Assets</b>	<b><u>\$ 12,170,515</u></b>	<b><u>\$ 19,775,549</u></b>	<b><u>\$ 11,142</u></b>	<b><u>\$ 31,957,206</u></b>
<u>Liabilities and Fund Balances:</u>				
Liabilities:				
Accounts Payable	\$ 3,246	\$ 608,013	\$ -	\$ 611,259
Accrued Wages and Benefits Payable	-	15,365	-	15,365
Intergovernmental Payable	-	29,926	-	29,926
Deferred Revenue	643,336	33,993	-	677,329
<b>Total Liabilities</b>	<b><u>646,582</u></b>	<b><u>687,297</u></b>	<b><u>-</u></b>	<b><u>1,333,879</u></b>
Fund Balances:				
Reserved for:				
Encumbrances	2,015,023	9,089,437	-	11,104,460
Property Taxes	30,335	-	-	30,335
Prepaid Items	-	78,495	-	78,495
Unreserved, Undesignated	9,478,575	9,920,320	11,142	19,410,037
<b>Total Fund Balances</b>	<b><u>11,523,933</u></b>	<b><u>19,088,252</u></b>	<b><u>11,142</u></b>	<b><u>30,623,327</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 12,170,515</u></b>	<b><u>\$ 19,775,549</u></b>	<b><u>\$ 11,142</u></b>	<b><u>\$ 31,957,206</u></b>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ 590,216	\$ 590,217	\$ 1,180,433
Intergovernmental	46,028,874	613,488	46,642,362
Interest	104,661	(78,317)	26,344
Tuition and Fees	10,660	-	10,660
Gifts and Donations	22,354	130,000	152,354
Customer Sales and Services	1,371,057	-	1,371,057
Extracurricular Activities	1,321,622	-	1,321,622
Miscellaneous	555,974	244,932	800,906
Total Revenues	<u>50,005,418</u>	<u>1,500,320</u>	<u>51,505,738</u>
Expenditures:			
Current:			
Instruction:			
Regular	3,571,241	-	3,571,241
Special	7,380,785	-	7,380,785
Vocational	639,050	165,761	804,811
Adult/Continuing	4,397	-	4,397
Student Intervention Services	4,559,340	-	4,559,340
Support Services:			
Pupils	3,091,255	-	3,091,255
Instructional Staff	11,629,373	-	11,629,373
Board of Education	1,691	-	1,691
Administration	3,754,594	15,365	3,769,959
Fiscal	545,089	33,748	578,837
Operation and Maintenance of Plant	316,791	463,403	780,194
Pupil Transportation	403,111	2,304,518	2,707,629
Central	238,490	687,229	925,719
Non-Instructional Services	13,842,566	-	13,842,566
Extracurricular Activities	891,277	-	891,277
Capital Outlay	27,688	12,312,951	12,340,639
Debt Service:			
Principal Retirement	-	350,000	350,000
Interest and Fiscal Charges	-	911,627	911,627
Total Expenditures	<u>50,896,738</u>	<u>17,244,602</u>	<u>68,141,340</u>
Excess of Revenues Under Expenditures	<u>(891,320)</u>	<u>(15,744,282)</u>	<u>(16,635,602)</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Options	-	9,685,000	9,685,000
Transfers-In	3,035,070	-	3,035,070
Transfers-Out	(444,049)	-	(444,049)
Total Other Financing Sources (Uses)	<u>2,591,021</u>	<u>9,685,000</u>	<u>12,276,021</u>
Net Change in Fund Balance	1,699,701	(6,059,282)	(4,359,581)
Fund Balance at Beginning of Year	<u>7,692,212</u>	<u>36,682,609</u>	<u>44,374,821</u>
Fund Balance at End of Year	<u>\$ 9,391,913</u>	<u>\$ 30,623,327</u>	<u>\$ 40,015,240</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Other Grant Rotary	Public School Support	Other Grants	Computer Networks
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	40,586	-	73,163
Interest	-	-	-	-
Tuition and Fees	-	-	-	-
Gifts and Donations	-	-	-	-
Customer Sales and Services	-	2,740	-	-
Extracurricular Activities	19,743	651,026	-	-
Miscellaneous	-	13,400	291,837	-
	<u>19,743</u>	<u>707,752</u>	<u>291,837</u>	<u>73,163</u>
Total Revenues				
Expenditures:				
Current:				
Instruction:				
Regular	49,267	365,210	4,420	-
Special	-	-	551	-
Vocational	-	-	-	-
Adult/Continuing	-	3,725	-	-
Student Intervention Services	-	-	-	-
Support Services:				
Pupils	675	9,333	29,135	-
Instructional Staff	-	42,616	130,788	-
Board of Education	-	1,691	-	-
Administration	-	60,780	1,681	-
Fiscal	-	-	-	-
Operation and Maintenance of Plant	360	8,730	71,404	-
Pupil Transportation	-	-	-	-
Central	-	-	-	69,014
Non-Instructional Services	-	-	-	-
Extracurricular Activities	-	898	36,570	-
Capital Outlay	-	-	-	-
	<u>50,302</u>	<u>492,983</u>	<u>274,549</u>	<u>69,014</u>
Total Expenditures				
Excess of Revenues Over (Under) Expenditures	<u>(30,559)</u>	<u>214,769</u>	<u>17,288</u>	<u>4,149</u>
Other Financing Sources (Uses):				
Transfers-In	-	-	95,477	-
Transfers-Out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>95,477</u>	<u>-</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balance	(30,559)	214,769	112,765	4,149
Fund Balance (Deficit) at Beginning of Year	<u>141,602</u>	<u>644,803</u>	<u>483,515</u>	<u>1,355</u>
Fund Balance (Deficit) at End of Year	<u>\$ 111,043</u>	<u>\$ 859,572</u>	<u>\$ 596,280</u>	<u>\$ 5,504</u>

(Continued)

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Education Foundation	Maintenance of Classroom Facilities	District Managed Student Activities	Auxiliary Services
<b>Revenues:</b>				
Taxes	\$ -	\$ 590,216	\$ -	\$ -
Intergovernmental	-	568,837	-	1,434,571
Interest	86,982	-	-	17,679
Tuition and Fees	-	-	-	-
Gifts and Donations	-	-	-	-
Customer Sales and Services	-	-	-	-
Extracurricular Activities	-	-	178,591	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<u>86,982</u>	<u>1,159,053</u>	<u>178,591</u>	<u>1,452,250</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	-	-	-	-
Special	-	-	-	-
Vocational	-	-	-	-
Adult/Continuing	-	-	-	-
Student Intervention Services	-	-	-	-
<b>Support Services:</b>				
Pupils	-	-	-	-
Instructional Staff	-	-	-	-
Board of Education	-	-	-	-
Administration	3,790	-	-	-
Fiscal	-	9,122	-	-
Operation and Maintenance of Plant	-	2,819	58,520	-
Pupil Transportation	-	-	-	-
Central	-	-	-	-
Non-Instructional Services	-	-	-	1,599,352
Extracurricular Activities	-	-	386,881	17,453
Capital Outlay	-	27,688	-	-
<b>Total Expenditures</b>	<u>3,790</u>	<u>39,629</u>	<u>445,401</u>	<u>1,616,805</u>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	<u>83,192</u>	<u>1,119,424</u>	<u>(266,810)</u>	<u>(164,555)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers-In	-	-	-	-
Transfers-Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	83,192	1,119,424	(266,810)	(164,555)
<b>Fund Balance (Deficit) at Beginning of Year</b>	<u>319,852</u>	<u>6,820,777</u>	<u>555,319</u>	<u>540,860</u>
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 403,044</u>	<u>\$ 7,940,201</u>	<u>\$ 288,509</u>	<u>\$ 376,305</u>

<u>Management Information Systems</u>	<u>Public School Preschool</u>	<u>Entry Year Program</u>	<u>Data Communications</u>	<u>SchoolNet Professional Development</u>	<u>Textbooks/ Instructional Material Subsidy</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27,919	184,000	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	119,887	-	-	-	-
<u>27,919</u>	<u>303,887</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	111,054	-	-	-	267
-	14,847	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	422	-	-	-	-
-	109,089	6,862	-	3,939	-
-	-	-	-	-	-
-	-	-	-	-	-
-	4,436	-	-	-	-
-	-	-	-	-	-
23,665	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>23,665</u>	<u>239,848</u>	<u>6,862</u>	<u>-</u>	<u>3,939</u>	<u>267</u>
<u>4,254</u>	<u>64,039</u>	<u>(6,862)</u>	<u>-</u>	<u>(3,939)</u>	<u>(267)</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
4,254	64,039	(6,862)	-	(3,939)	(267)
<u>(4,797)</u>	<u>7,588</u>	<u>7,862</u>	<u>5</u>	<u>3,939</u>	<u>267</u>
<u>\$ (543)</u>	<u>\$ 71,627</u>	<u>\$ 1,000</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

	Vocational Education Enhancement	Alternative Schools	Parity Aid	Miscellaneous State Grants
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	153,806	-	109,232
Interest	-	-	-	-
Tuition and Fees	-	-	-	-
Gifts and Donations	-	-	-	-
Customer Sales and Services	-	-	-	-
Extracurricular Activities	-	-	-	-
Miscellaneous	-	-	5,826	-
<b>Total Revenues</b>	<u>-</u>	<u>153,806</u>	<u>5,826</u>	<u>109,232</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	-	-	-	11,319
Special	-	-	-	-
Vocational	-	-	-	519
Adult/Continuing	-	-	-	-
Student Intervention Services	-	-	-	-
<b>Support Services:</b>				
Pupils	-	97,646	-	-
Instructional Staff	3,050	-	-	130,654
Board of Education	-	-	-	-
Administration	-	47,323	-	523
Fiscal	-	7,543	-	-
Operation and Maintenance of Plant	-	-	2	-
Pupil Transportation	-	-	-	-
Central	-	-	-	-
Non-Instructional Services	-	-	-	-
Extracurricular Activities	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<u>3,050</u>	<u>152,512</u>	<u>2</u>	<u>143,015</u>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	<u>(3,050)</u>	<u>1,294</u>	<u>5,824</u>	<u>(33,783)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers-In	-	-	-	-
Transfers-Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(3,050)	1,294	5,824	(33,783)
<b>Fund Balance (Deficit) at Beginning of Year</b>	<u>3,050</u>	<u>(4,139)</u>	<u>(5,824)</u>	<u>63,439</u>
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ -</u>	<u>\$ (2,845)</u>	<u>\$ -</u>	<u>\$ 29,656</u>

Adult Basic Education	Title VI-B	Vocational Education	Head Start	State Fiscal Stabilization	Title II-D Technology
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	5,268,702	632,634	1,590,378	8,468,664	292,861
-	-	-	-	-	-
-	4,111	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	5,272,813	632,634	1,590,378	8,468,664	292,861
-	411	-	-	3,008,135	-
-	1,538,840	-	1,374,791	-	9,919
-	-	638,531	-	-	-
672	-	-	-	-	-
-	-	-	-	72,720	-
-	537,706	1,817	12,673	992,615	-
62,196	2,680,777	35,346	60,066	634,170	208,329
-	-	-	-	-	-
1,232	110,109	53,833	148,126	2,662,932	-
10,606	184,766	-	-	-	-
4,674	-	-	-	-	-
-	-	19,539	3,257	-	-
-	-	39,986	-	105,825	-
-	540,517	-	-	2,995,268	6,697
-	-	-	-	-	441
-	-	-	-	-	-
79,380	5,593,126	789,052	1,598,913	10,471,665	225,386
(79,380)	(320,313)	(156,418)	(8,535)	(2,003,001)	67,475
-	-	-	-	-	19,077
-	-	-	-	-	-
-	-	-	-	-	19,077
(79,380)	(320,313)	(156,418)	(8,535)	(2,003,001)	86,552
77,226	(193)	237,623	(85,739)	-	-
<u>\$ (2,154)</u>	<u>\$ (320,506)</u>	<u>\$ 81,205</u>	<u>\$ (94,274)</u>	<u>\$ (2,003,001)</u>	<u>\$ 86,552</u>

(Continued)

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

	Title I School Improvement Stimulus A	Dropout Prevention and Intervention	Title I	Title VI
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,042,260	88,591	15,505,570	2,126
Interest	-	-	-	-
Tuition and Fees	-	-	-	-
Gifts and Donations	-	-	-	-
Customer Sales and Services	-	-	-	-
Extracurricular Activities	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<u>1,042,260</u>	<u>88,591</u>	<u>15,505,570</u>	<u>2,126</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	1,809	-
Special	-	75,602	3,906,249	5,710
Vocational	-	-	-	-
Adult/Continuing	-	-	-	-
Student Intervention Services	-	-	4,486,620	-
Support Services:				
Pupils	-	4,260	1,385,587	-
Instructional Staff	1,042,260	11,765	3,214,110	3,251
Board of Education	-	-	-	-
Administration	-	-	596,090	-
Fiscal	-	1,696	236,083	874
Operation and Maintenance of Plant	-	-	-	-
Pupil Transportation	-	10,230	345,085	-
Central	-	-	-	-
Non-Instructional Services	-	-	552,220	738
Extracurricular Activities	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<u>1,042,260</u>	<u>103,553</u>	<u>14,723,853</u>	<u>10,573</u>
Excess of Revenues Over (Under)				
Expenditures	<u>-</u>	<u>(14,962)</u>	<u>781,717</u>	<u>(8,447)</u>
Other Financing Sources (Uses):				
Transfers-In	-	-	-	-
Transfers-Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	(14,962)	781,717	(8,447)
Fund Balance (Deficit) at Beginning of Year	<u>-</u>	<u>26,974</u>	<u>(296,445)</u>	<u>13,669</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ 12,012</u>	<u>\$ 485,272</u>	<u>\$ 5,222</u>

<u>Drug Free Schools Program</u>	<u>EHA Preschool Grants for the Handicapped</u>	<u>E-Rate Grant</u>	<u>Title VI-R Classroom Size Reduction</u>	<u>Miscellaneous Federal Grants</u>	<u>Special Trust</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12,048	246,365	-	2,395,238	1,134,463	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	22,354
-	-	-	-	-	-
-	-	125,024	-	-	-
<u>12,048</u>	<u>246,365</u>	<u>125,024</u>	<u>2,395,238</u>	<u>1,134,463</u>	<u>22,354</u>
-	-	-	-	11,620	-
-	141,306	-	-	312,970	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	10,586	8,800
57,183	132,439	-	2,390,710	669,773	-
-	-	-	-	-	-
-	-	-	-	68,175	-
1,575	5,443	-	48,141	34,804	-
-	-	-	-	74,497	-
-	-	-	-	25,000	-
-	-	-	-	-	-
238	-	-	18,409	2,387	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>58,996</u>	<u>279,188</u>	<u>-</u>	<u>2,457,260</u>	<u>1,209,812</u>	<u>8,800</u>
<u>(46,948)</u>	<u>(32,823)</u>	<u>125,024</u>	<u>(62,022)</u>	<u>(75,349)</u>	<u>13,554</u>
-	-	-	-	-	-
-	-	(424,972)	-	(19,077)	-
-	-	(424,972)	-	(19,077)	-
(46,948)	(32,823)	(299,948)	(62,022)	(94,426)	13,554
<u>118,312</u>	<u>1,790</u>	<u>299,948</u>	<u>87,167</u>	<u>53,709</u>	<u>56,612</u>
<u>\$ 71,364</u>	<u>\$ (31,033)</u>	<u>\$ -</u>	<u>\$ 25,145</u>	<u>\$ (40,717)</u>	<u>\$ 70,166</u>

(Continued)

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)

	Food Service	Uniform School Supplies	Welcome Stadium	Total
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 590,216
Intergovernmental	6,756,860	-	-	46,028,874
Interest	-	-	-	104,661
Tuition and Fees	-	6,549	-	10,660
Gifts and Donations	-	-	-	22,354
Customer Sales and Services	1,368,317	-	-	1,371,057
Extracurricular Activities	-	-	472,262	1,321,622
Miscellaneous	-	-	-	555,974
<b>Total Revenues</b>	<b>8,125,177</b>	<b>6,549</b>	<b>472,262</b>	<b>50,005,418</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	-	7,729	-	3,571,241
Special	-	-	-	7,380,785
Vocational	-	-	-	639,050
Adult/Continuing	-	-	-	4,397
Student Intervention Services	-	-	-	4,559,340
<b>Support Services:</b>				
Pupils	-	-	-	3,091,255
Instructional Staff	-	-	-	11,629,373
Board of Education	-	-	-	1,691
Administration	-	-	-	3,754,594
Fiscal	-	-	-	545,089
Operation and Maintenance of Plant	95,785	-	-	316,791
Pupil Transportation	-	-	-	403,111
Central	-	-	-	238,490
Non-Instructional Services	8,126,740	-	-	13,842,566
Extracurricular Activities	-	-	449,034	891,277
Capital Outlay	-	-	-	27,688
<b>Total Expenditures</b>	<b>8,222,525</b>	<b>7,729</b>	<b>449,034</b>	<b>50,896,738</b>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	(97,348)	(1,180)	23,228	(891,320)
<b>Other Financing Sources (Uses):</b>				
Transfers-In	2,920,516	-	-	3,035,070
Transfers-Out	-	-	-	(444,049)
<b>Total Other Financing Sources (Uses)</b>	<b>2,920,516</b>	<b>-</b>	<b>-</b>	<b>2,591,021</b>
<b>Net Change in Fund Balance</b>	<b>2,823,168</b>	<b>(1,180)</b>	<b>23,228</b>	<b>1,699,701</b>
<b>Fund Balance (Deficit) at Beginning of Year</b>	<b>(2,830,951)</b>	<b>9,773</b>	<b>343,264</b>	<b>7,692,212</b>
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$ (7,783)</b>	<b>\$ 8,593</b>	<b>\$ 366,492</b>	<b>\$ 9,391,913</b>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Permanent Improvement</u>	<u>Building</u>	<u>SchoolNet</u>	<u>Interactive Video Distance Learning</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:					
Taxes	\$ 590,217	\$ -	\$ -	\$ -	\$ 590,217
Intergovernmental	372,801	240,687	-	-	613,488
Interest	-	(78,317)	-	-	(78,317)
Gifts and Donations	-	130,000	-	-	130,000
Miscellaneous	-	244,932	-	-	244,932
	<u>963,018</u>	<u>537,302</u>	<u>-</u>	<u>-</u>	<u>1,500,320</u>
Total Revenues					
Expenditures:					
Current:					
Instruction:					
Vocational	-	165,761	-	-	165,761
Support Services:					
Administration	-	15,365	-	-	15,365
Fiscal	9,122	24,626	-	-	33,748
Operation and Maintenance of Plant	463,403	-	-	-	463,403
Pupil Transportation	2,304,518	-	-	-	2,304,518
Central	-	686,895	334	-	687,229
Capital Outlay	40,396	12,272,555	-	-	12,312,951
Debt Service:					
Principal Retirement	350,000	-	-	-	350,000
Interest and Fiscal Charges	911,627	-	-	-	911,627
	<u>4,079,066</u>	<u>13,165,202</u>	<u>334</u>	<u>-</u>	<u>17,244,602</u>
Total Expenditures					
Excess of Revenues Under Expenditures	(3,116,048)	(12,627,900)	(334)	-	(15,744,282)
Other Financing Sources (Uses):					
Proceeds from Sale of Options	9,685,000	-	-	-	9,685,000
Net Change in Fund Balance	6,568,952	(12,627,900)	(334)	-	(6,059,282)
Fund Balance at Beginning of Year	<u>4,954,981</u>	<u>31,716,152</u>	<u>334</u>	<u>11,142</u>	<u>36,682,609</u>
Fund Balance at End of Year	<u>\$ 11,523,933</u>	<u>\$ 19,088,252</u>	<u>\$ -</u>	<u>\$ 11,142</u>	<u>\$ 30,623,327</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
OTHER GRANT ROTARY FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Extracurricular Activities	\$ 51,575	\$ 19,743	\$ 19,743	\$ -
Expenditures:				
Current:				
Instruction:				
Regular	158,795	158,063	49,847	108,216
Support Services:				
Pupils	2,150	2,140	675	1,465
Operation and Maintenance of Plant	1,148	1,142	360	782
Total Expenditures	162,093	161,345	50,882	110,463
Net Change in Fund Balance	(110,518)	(141,602)	(31,139)	110,463
Fund Balance at Beginning of Year	141,604	141,313	141,313	-
Prior Year Encumbrances Appropriated	2,281	291	291	-
Fund Balance at End of Year	\$ 33,367	\$ 2	\$ 110,465	\$ 110,463

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
PUBLIC SCHOOL SUPPORT FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 22,931	\$ 40,586	\$ 40,586	\$ -
Customer Sales and Services	1,548	2,740	2,740	-
Extracurricular Activities	367,950	651,241	651,241	-
Miscellaneous	7,571	13,400	13,400	-
<b>Total Revenues</b>	<b>400,000</b>	<b>707,967</b>	<b>707,967</b>	<b>-</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	739,379	1,041,379	383,126	658,253
Adult/Continuing	6,912	9,735	3,581	6,154
<b>Support Services:</b>				
Pupils	1,376	1,937	713	1,224
Instructional Staff	87,308	122,970	45,242	77,728
Board of Education	5,146	7,249	2,667	4,582
Administration	113,177	159,404	58,645	100,759
Operation and Maintenance of Plant	16,887	23,784	8,750	15,034
Non-Instructional Services	1,733	2,441	898	1,543
<b>Total Expenditures</b>	<b>971,918</b>	<b>1,368,899</b>	<b>503,622</b>	<b>865,277</b>
<b>Net Change in Fund Balance</b>	<b>(571,918)</b>	<b>(660,932)</b>	<b>204,345</b>	<b>865,277</b>
Fund Balance at Beginning of Year	663,807	642,651	642,651	-
Prior Year Encumbrances Appropriated	46,962	21,155	21,155	-
<b>Fund Balance at End of Year</b>	<b>\$ 138,851</b>	<b>\$ 2,874</b>	<b>\$ 868,151</b>	<b>\$ 865,277</b>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
OTHER GRANTS FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Miscellaneous	\$ 898,348	\$ 294,752	\$ 294,654	\$ (98)
Expenditures:				
Current:				
Instruction:				
Regular	12,678	8,608	4,420	4,188
Special	4,876	3,311	1,700	1,611
Support Services:				
Pupils	171,391	116,371	59,750	56,621
Instructional Staff	391,537	265,845	136,497	129,348
Administration	5,175	3,514	1,804	1,710
Fiscal	5,751	3,905	2,005	1,900
Operation and Maintenance of Plant	209,280	142,096	72,959	69,137
Extracurricular Activities	179,440	121,835	62,556	59,279
Total Expenditures	980,128	665,485	341,691	323,794
Excess of Revenues Over (Under)				
Expenditures	(81,780)	(370,733)	(47,037)	323,696
Other Financing Sources (Uses):				
Advance-In	60,904	19,983	20,000	17
Transfers-In	290,748	95,396	95,477	81
Advance-Out	(788,155)	(535,139)	(274,765)	260,374
Total Other Financing Sources (Uses)	(436,503)	(419,760)	(159,288)	260,472
Net Change in Fund Balance	(518,283)	(790,493)	(206,325)	584,168
Fund Balance at Beginning of Year	790,494	692,138	692,138	-
Prior Year Encumbrances Appropriated	92,002	98,355	98,355	-
Fund Balance at End of Year	\$ 364,213	\$ -	\$ 584,168	\$ 584,168

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 COMPUTER NETWORKS FUND - BUDGET (NON-GAAP) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 85,000	\$ 73,162	\$ 73,162	\$ -
Expenditures:				
Current:				
Support Services:				
Central	76,355	74,517	74,517	-
Net Change in Fund Balance	8,645	(1,355)	(1,355)	-
Fund Balance at Beginning of Year	1,355	-	-	-
Prior Year Encumbrances Appropriated	1,869	1,355	1,355	-
Fund Balance at End of Year	<u>\$ 11,869</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 MAINTENANCE OF CLASSROOM FACILITIES FUND - BUDGET (NON-GAAP) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 726,765	\$ 567,160	\$ 609,609	\$ 42,449
Intergovernmental	189,124	611,286	568,836	(42,450)
<b>Total Revenues</b>	<b>915,889</b>	<b>1,178,446</b>	<b>1,178,445</b>	<b>(1)</b>
Expenditures:				
Current:				
Support Services:				
Fiscal	109,398	109,398	9,122	100,276
Operation and Maintenance of Plant	898,872	898,872	74,949	823,923
Capital Outlay	2,312,554	2,312,554	192,823	2,119,731
<b>Total Expenditures</b>	<b>3,320,824</b>	<b>3,320,824</b>	<b>276,894</b>	<b>3,043,930</b>
Net Change in Fund Balance	(2,404,935)	(2,142,378)	901,551	3,043,929
Fund Balance at Beginning of Year	6,771,048	6,578,225	6,578,225	-
Prior Year Encumbrances Appropriated	192,823	192,823	192,823	-
<b>Fund Balance at End of Year</b>	<b>\$ 4,558,936</b>	<b>\$ 4,628,670</b>	<b>\$ 7,672,599</b>	<b>\$ 3,043,929</b>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 DISTRICT MANAGED STUDENT ACTIVITIES FUND - BUDGET (NON-GAAP) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Extracurricular Activities	\$ 500,000	\$ 178,592	\$ 178,592	\$ -
Expenditures:				
Current:				
Support Services:				
Operation and Maintenance of Plant	137,476	92,453	60,577	31,876
Extracurricular Activities	892,976	600,525	393,477	207,048
Total Expenditures	1,030,452	692,978	454,054	238,924
Net Change in Fund Balance	(530,452)	(514,386)	(275,462)	238,924
Fund Balance at Beginning of Year	562,146	531,694	531,694	-
Prior Year Encumbrances Appropriated	38,400	30,453	30,453	-
Fund Balance at End of Year	\$ 70,094	\$ 47,761	\$ 286,685	\$ 238,924

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
AUXILIARY SERVICES FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 3,749,150	\$ 1,429,725	\$ 1,434,570	\$ 4,845
Interest	50,850	19,392	17,679	(1,713)
<b>Total Revenues</b>	<b>3,800,000</b>	<b>1,449,117</b>	<b>1,452,249</b>	<b>3,132</b>
Expenditures:				
Current:				
Non-Instructional Services	4,687,445	2,491,426	2,233,313	258,113
Excess of Revenues Over (Under) Expenditures	(887,445)	(1,042,309)	(781,064)	261,245
Other Financing Uses:				
Refund of Prior Year Receipts	(115,114)	(61,184)	(54,846)	6,338
<b>Net Change in Fund Balance</b>	<b>(1,002,559)</b>	<b>(1,103,493)</b>	<b>(835,910)</b>	<b>267,583</b>
Fund Balance at Beginning of Year	1,112,184	109,625	109,625	-
Prior Year Encumbrances Appropriated	1,136,019	1,002,559	1,002,559	-
<b>Fund Balance at End of Year</b>	<b>\$ 1,245,644</b>	<b>\$ 8,691</b>	<b>\$ 276,274</b>	<b>\$ 267,583</b>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 MANAGEMENT INFORMATION SYSTEMS FUND - BUDGET (NON-GAAP) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 50,000	\$ 27,919	\$ 27,919	\$ -
Expenditures:				
Current:				
Support Services:				
Central	50,000	24,291	23,739	552
Net Change in Fund Balance	-	3,628	4,180	552
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ 3,628	\$ 4,180	\$ 552

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
PUBLIC SCHOOL PRESCHOOL FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 229,314	\$ 184,000	\$ 184,000	\$ -
Miscellaneous	133,110	106,807	106,807	-
<b>Total Revenues</b>	<b>362,424</b>	<b>290,807</b>	<b>290,807</b>	<b>-</b>
Expenditures:				
Current:				
Instruction:				
Regular	165,148	122,980	110,397	12,583
Special	22,198	16,530	14,839	1,691
Support Services:				
Pupils	4,609	3,432	3,081	351
Instructional Staff	151,920	113,130	101,554	11,576
Fiscal	6,636	4,942	4,436	506
<b>Total Expenditures</b>	<b>350,511</b>	<b>261,014</b>	<b>234,307</b>	<b>26,707</b>
Excess of Revenues Over Expenditures	11,913	29,793	56,500	26,707
Other Financing Uses:				
Refund of Prior Year Receipts	(2,639)	(1,965)	(1,764)	201
<b>Net Change in Fund Balance</b>	<b>9,274</b>	<b>27,828</b>	<b>54,736</b>	<b>26,908</b>
Fund Balance at Beginning of Year	23,026	22,880	22,880	-
Prior Year Encumbrances Appropriated	1,614	149	149	-
<b>Fund Balance at End of Year</b>	<b>\$ 33,914</b>	<b>\$ 50,857</b>	<b>\$ 77,765</b>	<b>\$ 26,908</b>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ENTRY YEAR PROGRAM FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 32,000	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support Services:				
Instructional Staff	37,254	8,488	7,540	948
Excess of Revenues Over (Under) Expenditures	(5,254)	(8,488)	(7,540)	948
Other Financing Uses:				
Refund of Prior Year Receipts	(2,032)	(463)	(411)	52
Net Change in Fund Balance	(7,286)	(8,951)	(7,951)	1,000
Fund Balance at Beginning of Year	8,951	8,716	8,716	-
Prior Year Encumbrances Appropriated	-	235	235	-
Fund Balance at End of Year	<u>\$ 1,665</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 DATA COMMUNICATIONS FUND - BUDGET (NON-GAAP) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 310,000	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support Services:				
Central	300,006	6	6	-
Net Change in Fund Balance	9,994	(6)	(6)	-
Fund Balance at Beginning of Year	6	-	-	-
Prior Year Encumbrances Appropriated	6	6	6	-
Fund Balance at End of Year	<u>\$ 10,006</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SCHOOLNET PROFESSIONAL DEVELOPMENT FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 55,000	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support Services:				
Instructional Staff	1,286	100	100	-
Excess of Revenues Over (Under) Expenditures	53,714	(100)	(100)	-
Other Financing Uses:				
Refund of Prior Year Receipts	(49,164)	(3,838)	(3,838)	-
Net Change in Fund Balance	4,550	(3,938)	(3,938)	-
Fund Balance at Beginning of Year	3,939	3,489	3,489	-
Prior Year Encumbrances Appropriated	101	449	449	-
Fund Balance at End of Year	<u>\$ 8,590</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 TEXTBOOKS/INSTRUCTIONAL MATERIAL SUBSIDY FUND - BUDGET (NON-GAAP) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction:				
Regular	1,500	267	267	-
Net Change in Fund Balance	(1,500)	(267)	(267)	-
Fund Balance at Beginning of Year	267	267	267	-
Fund Balance (Deficit) at End of Year	\$ (1,233)	\$ -	\$ -	\$ -

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
VOCATIONAL EDUCATION ENHANCEMENT FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction:				
Regular	2,567	4,000	4,000	-
Support Services:				
Instructional Staff	3,271	2,865	2,865	-
Total Expenditures	5,838	6,865	6,865	-
Excess of Revenues Under Expenditures	(5,838)	(6,865)	(6,865)	-
Other Financing Sources:				
Refund of Prior Year Receipts	(212)	(185)	(185)	-
Advances-In	5,000	4,000	4,000	-
Total Other Financing Sources	4,788	3,815	3,815	-
Net Change in Fund Balance	(1,050)	(3,050)	(3,050)	-
Fund Balance at Beginning of Year	3,050	-	-	-
Prior Year Encumbrances Appropriated	-	3,050	3,050	-
Fund Balance at End of Year	\$ 2,000	\$ -	\$ -	\$ -

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ALTERNATIVE SCHOOLS FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 341,243	\$ 155,678	\$ 155,678	\$ -
Expenditures:				
Current:				
Support Services:				
Pupils	253,180	120,907	117,575	3,332
Instructional Staff	11,843	5,656	5,500	156
Administration	104,633	49,967	48,591	1,376
Fiscal	9,401	4,489	4,366	123
Total Expenditures	379,057	181,019	176,032	4,987
Excess of Revenues Over (Under) Expenditures	(37,814)	(25,341)	(20,354)	4,987
Other Financing Sources:				
Advances-In	21,920	10,000	10,000	-
Net Change in Fund Balance	(15,894)	(15,341)	(10,354)	4,987
Fund Balance at Beginning of Year	17,145	1,562	1,562	-
Prior Year Encumbrances Appropriated	23,372	15,585	15,585	-
Fund Balance at End of Year	<u>\$ 24,623</u>	<u>\$ 1,806</u>	<u>\$ 6,793</u>	<u>\$ 4,987</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
PARITY AID FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction:				
Regular	11,468	11,468	11,468	-
Other Instruction	3,873	3,873	3,873	-
Support Services:				
Operation and Maintenance of Plant	64,403	64,404	64,404	-
Total Expenditures	79,744	79,745	79,745	-
Net Change in Fund Balance	(79,744)	(79,745)	(79,745)	-
Fund Balance at Beginning of Year	79,745	-	-	-
Prior Year Encumbrances Appropriated	119,955	79,745	79,745	-
Fund Balance at End of Year	<u>\$ 119,956</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
MISCELLANEOUS STATE GRANTS FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 475,000	\$ 109,232	\$ 109,232	\$ -
Expenditures:				
Current:				
Instruction:				
Regular	33,946	13,224	11,319	1,905
Vocational	1,769	590	590	-
Pupils	4,124	1,607	1,375	232
Instructional Staff	596,155	232,235	198,769	33,466
Administration	6,775	2,639	2,259	380
Fiscal	7,976	3,107	2,659	448
Total Expenditures	650,745	253,402	216,971	36,431
Excess of Revenues Over (Under) Expenditures	(175,745)	(144,170)	(107,739)	36,431
Other Financing Uses:				
Refund of Prior Year Receipts	(9,725)	(3,789)	(3,243)	546
Net Change in Fund Balance	(185,470)	(147,959)	(110,982)	36,977
Fund Balance at Beginning of Year	148,057	38,584	38,584	-
Prior Year Encumbrances Appropriated	100,057	109,471	109,471	-
Fund Balance at End of Year	<u>\$ 62,644</u>	<u>\$ 96</u>	<u>\$ 37,073</u>	<u>\$ 36,977</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ADULT BASIC EDUCATION FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 875,000	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction:				
Adult/Continuing	96,257	9,337	9,337	-
Support Services:				
Instructional Staff	234,353	22,733	22,733	-
Administration	15,817	1,534	1,534	-
Fiscal	109,335	10,606	10,606	-
Operation and Maintenance of Plant	48,188	4,674	4,674	-
Total Expenditures	503,950	48,884	48,884	-
Excess of Revenues Over (Under) Expenditures	371,050	(48,884)	(48,884)	-
Other Financing Uses:				
Refund of Prior Year Receipts	(456,905)	(44,321)	(44,321)	-
Net Change in Fund Balance	(85,855)	(93,205)	(93,205)	-
Fund Balance at Beginning of Year	93,206	75,894	75,894	-
Prior Year Encumbrances Appropriated	7,604	17,311	17,311	-
Fund Balance at End of Year	\$ 14,955	\$ -	\$ -	\$ -

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TITLE VI-B FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 9,850,000	\$ 5,315,202	\$ 5,268,702	\$ (46,500)
Expenditures:				
Current:				
Instruction:				
Special	3,185,505	1,916,994	1,916,994	-
Support Services:				
Pupils	944,105	568,150	568,150	-
Instructional Staff	4,490,408	2,702,268	2,702,268	-
Administration	198,598	119,514	119,514	-
Fiscal	136,457	82,118	82,118	-
Non-Instructional Services	938,070	564,518	564,518	-
Total Expenditures	9,893,143	5,953,562	5,953,562	-
Excess of Revenues Over (Under)				
Expenditures	(43,143)	(638,360)	(684,860)	(46,500)
Other Financing Sources (Uses):				
Advances-In	-	-	46,500	46,500
Advances-Out	(265,875)	(160,000)	(160,000)	-
Total Other Financing Sources (Uses)	(265,875)	(160,000)	(113,500)	46,500
Net Change in Fund Balance	(309,018)	(798,360)	(798,360)	-
Fund Balance at Beginning of Year	799,727	771	771	-
Prior Year Encumbrances Appropriated	772,553	798,958	798,958	-
Fund Balance at End of Year	\$ 1,263,262	\$ 1,369	\$ 1,369	\$ -

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
VOCATIONAL EDUCATION FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 1,652,524	\$ 680,656	\$ 680,656	\$ -
Expenditures:				
Current:				
Instruction:				
Vocational	1,698,864	887,129	852,871	34,258
Support Services:				
Pupils	3,619	1,890	1,817	73
Instructional Staff	77,540	40,490	38,927	1,563
Administration	107,233	55,996	53,833	2,163
Pupil Transportation	81,592	42,607	40,962	1,645
Central	130,976	68,394	65,753	2,641
Total Expenditures	2,099,824	1,096,506	1,054,163	42,343
Excess of Revenues Over (Under) Expenditures	(447,300)	(415,850)	(373,507)	42,343
Other Financing Sources:				
Advances-In	364,176	150,000	150,000	-
Net Change in Fund Balance	(83,124)	(265,850)	(223,507)	42,343
Fund Balance at Beginning of Year	294,829	63,468	63,468	
Prior Year Encumbrances Appropriated	149,991	231,363	231,363	-
Fund Balance at End of Year	<u>\$ 361,696</u>	<u>\$ 28,981</u>	<u>\$ 71,324</u>	<u>\$ 42,343</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
HEAD START FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 2,765,497	\$ 1,585,624	\$ 1,585,624	\$ -
Expenditures:				
Current:				
Instruction:				
Special	1,957,868	1,407,870	1,407,870	-
Support Services:				
Pupils	19,058	13,705	13,705	-
Instructional Staff	102,456	73,675	73,675	-
Administration	213,770	153,719	153,719	-
Pupil Transportation	4,530	3,257	3,257	-
Total Expenditures	2,297,682	1,652,226	1,652,226	-
Excess of Revenues Over (Under) Expenditures	467,815	(66,602)	(66,602)	-
Other Financing Sources (Uses):				
Advances-In	-	200,000	200,000	-
Advances-Out	(278,132)	(200,000)	(200,000)	-
Total Other Financing Sources (Uses)	(278,132)	-	-	-
Net Change in Fund Balance	189,683	(66,602)	(66,602)	-
Fund Balance at Beginning of Year	93,883	46,537	46,537	-
Prior Year Encumbrances Appropriated	37,953	47,348	47,348	-
Fund Balance at End of Year	\$ 321,519	\$ 27,283	\$ 27,283	\$ -

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 STATE FISCAL STABILIZATION FUND - BUDGET (NON-GAPP) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 7,912,991	\$ 8,468,664	\$ 8,468,664	\$ -
Expenditures:				
Current:				
Instruction:				
Special	1,442,083	1,538,993	1,516,295	22,698
Other	69,160	73,808	72,720	1,088
Support Services:				
Pupils	690,713	737,130	726,259	10,871
Instructional Staff	550,713	587,722	579,054	8,668
Administration	2,210,346	2,358,884	2,324,093	34,791
Central	101,304	108,112	106,518	1,594
Non Instructional Services	2,848,671	3,040,106	2,995,268	44,838
Total Expenditures	7,912,990	8,444,755	8,320,207	124,548
Net Change in Fund Balance	1	23,909	148,457	124,548
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ 1	\$ 23,909	\$ 148,457	\$ 124,548

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TITLE II-D TECHNOLOGY FUND - BUDGET (NON-GAPP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 334,554	\$ 292,861	\$ 292,861	\$ -
Expenditures:				
Current:				
Instruction:				
Special	14,685	12,147	9,903	2,244
Support Services:				
Instructional Staff	301,991	249,802	203,664	46,138
Non Instructional Services	17,878	14,788	12,057	2,731
Total Expenditures	334,554	276,737	225,624	51,113
Excess of Revenues Over Expenditures	-	16,124	67,237	51,113
Other Financing Sources:				
Transfer-In	-	19,077	19,077	-
Net Change in Fund Balance	-	35,201	86,314	51,113
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ 35,201	\$ 86,314	\$ 51,113

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 TITLE I SCHOOL IMPROVEMENT STIMULUS A FUND - BUDGET (NON-GAPP) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 1,085,079	\$ 1,042,260	\$ 1,042,260	\$ -
Expenditures:				
Current:				
Support Services:				
Instructional Staff	1,085,079	1,042,260	1,042,260	-
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 DROPOUT PREVENTION AND INTERVENTION FUND - BUDGET (NON-GAAP) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 224,132	\$ 88,592	\$ 88,592	\$ -
Expenditures:				
Current:				
Instruction:				
Special	185,280	95,598	86,746	8,852
Support Services:				
Pupils	11,745	6,060	5,499	561
Instructional Staff	29,455	15,198	13,790	1,408
Fiscal	3,621	1,869	1,696	173
Pupil Transportation	28,674	14,795	13,425	1,370
Total Expenditures	<u>258,775</u>	<u>133,520</u>	<u>121,156</u>	<u>12,364</u>
Net Change in Fund Balance	(34,643)	(44,928)	(32,564)	12,364
Fund Balance at Beginning of Year	45,022	27,696	27,696	-
Prior Year Encumbrances Appropriated	<u>17,296</u>	<u>17,326</u>	<u>17,326</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 27,675</u>	<u>\$ 94</u>	<u>\$ 12,458</u>	<u>\$ 12,364</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TITLE I FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 26,583,831	\$ 14,130,858	\$ 14,129,661	\$ (1,197)
Expenditures:				
Current:				
Instruction:				
Special	7,556,785	4,361,924	4,361,617	307
Other Instruction	7,667,410	4,425,780	4,425,468	312
Support Services:				
Pupils	4,563,994	2,634,427	2,634,242	185
Instructional Staff	6,114,868	3,529,622	3,529,374	248
Administration	1,034,779	597,295	597,253	42
Fiscal	359,162	207,315	207,301	14
Pupil Transportation	600,212	346,454	346,430	24
Non-Instructional Services	966,336	557,788	557,749	39
Total Expenditures	28,863,546	16,660,605	16,659,434	1,171
Excess of Revenues Over(Under) Expenditures	(2,279,715)	(2,529,747)	(2,529,773)	(26)
Other Financing Sources (Uses):				
Advances-In	3,018,169	1,604,333	1,605,530	1,197
Advances-Out	(873,213)	(504,035)	(504,000)	35
Total Other Financing Sources (Uses)	2,144,956	1,100,298	1,101,530	1,232
Net Change in Fund Balance	(134,759)	(1,429,449)	(1,428,243)	1,206
Fund Balance at Beginning of Year	1,433,691	1,227	1,227	-
Prior Year Encumbrances Appropriated	1,623,548	1,432,467	1,432,467	-
Fund Balance at End of Year	\$ 2,922,480	\$ 4,245	\$ 5,451	\$ 1,206

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TITLE VI FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 350,000	\$ 2,126	\$ 2,126	\$ -
Expenditures:				
Current:				
Instruction:				
Special	203,492	16,547	16,547	-
Support Services:				
Instructional Staff	132,932	10,809	10,809	-
Fiscal	10,749	874	874	-
Non-Instructional Services	9,345	760	760	-
Total Expenditures	356,518	28,990	28,990	-
Net Change in Fund Balance	(6,518)	(26,864)	(26,864)	-
Fund Balance at Beginning of Year	32,082	21,813	21,813	-
Prior Year Encumbrances Appropriated	13,285	10,268	10,268	-
Fund Balance at End of Year	\$ 38,849	\$ 5,217	\$ 5,217	\$ -

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
DRUG FREE SCHOOLS PROGRAM FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 425,000	\$ 12,048	\$ 12,048	\$ -
Expenditures:				
Current:				
Support Services:				
Instructional Staff	476,382	117,943	58,181	59,762
Fiscal	12,896	3,193	1,575	1,618
Non-Instructional Services	6,439	1,594	786	808
Total Expenditures	495,717	122,730	60,542	62,188
Net Change in Fund Balance	(70,717)	(110,682)	(48,494)	62,188
Fund Balance at Beginning of Year	120,662	117,344	117,344	-
Prior Year Encumbrances Appropriated	6,401	3,317	3,317	-
Fund Balance at End of Year	<u>\$ 56,346</u>	<u>\$ 9,979</u>	<u>\$ 72,167</u>	<u>\$ 62,188</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 EHA PRESCHOOL GRANTS FOR THE HANDICAPPED FUND - BUDGET (NON-GAAP) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 340,000	\$ 253,886	\$ 253,886	\$ -
Expenditures:				
Current:				
Instruction:				
Special	179,905	155,979	155,979	-
Support Services:				
Instructional Staff	155,286	134,634	134,634	-
Fiscal	2,605	2,259	2,259	-
Total Expenditures	337,796	292,872	292,872	-
Excess of Revenues Over (Under) Expenditures	2,204	(38,986)	(38,986)	-
Other Financing Sources (Uses):				
Advances-In	-	33,225	33,225	
Advances-Out	(375)	(325)	(325)	-
Total Other Financing Sources (Uses)	(375)	32,900	32,900	-
Net Change in Fund Balance	1,829	(6,086)	(6,086)	-
Fund Balance at Beginning of Year	9,786	-	-	-
Prior Year Encumbrances Appropriated	9,882	9,785	9,785	-
Fund Balance at End of Year	\$ 21,497	\$ 3,699	\$ 3,699	\$ -

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
E-RATE GRANT FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 1,250,000	\$ -	\$ -	\$ -
Expenditures:	-	-	-	-
Excess of Revenues Over(Under) Expenditures	1,250,000	-	-	-
Other Financing Uses:				
Transfers-Out	(1,810,595)	(424,970)	(424,970)	-
Net Change in Fund Balance	(560,595)	(424,970)	(424,970)	-
Fund Balance at Beginning of Year	424,970	93,576	93,576	-
Prior Year Encumbrances Appropriated	117,169	331,394	331,394	-
Fund Balance (Deficit) at End of Year	<u>\$ (18,456)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TITLE VI-R CLASSROOM SIZE REDUCTION FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 5,033,950	\$ 1,944,445	\$ 1,944,048	\$ (397)
Expenditures:				
Current:				
Support Services:				
Instructional Staff	5,595,245	2,375,932	2,375,932	-
Fiscal	64,577	27,421	27,421	-
Non-Instructional Services	48,865	20,750	20,750	-
Total Expenditures	5,708,687	2,424,103	2,424,103	-
Excess of Revenues Over(Under) Expenditures	(674,737)	(479,658)	(480,055)	(397)
Other Financing Sources:				
Advances-In	366,050	141,393	141,790	397
Net Change in Fund Balance	(308,687)	(338,265)	(338,265)	-
Fund Balance at Beginning of Year	352,220	116,109	116,109	-
Prior Year Encumbrances Appropriated	279,302	236,110	236,110	-
Fund Balance at End of Year	\$ 322,835	\$ 13,954	\$ 13,954	\$ -

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
MISCELLANEOUS FEDERAL GRANTS FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 3,706,314	\$ 1,142,854	\$ 1,134,463	\$ (8,391)
Expenditures:				
Current:				
Instruction:				
Regular	35,792	11,954	11,620	334
Special	1,019,230	340,414	330,912	9,502
Support Services:				
Pupils	33,346	11,137	10,826	311
Instructional Staff	2,062,951	689,007	669,773	19,234
Administration	196,849	65,746	63,910	1,836
Fiscal	53,327	17,811	17,314	497
Operation and Maintenance of Plant	229,456	76,636	74,497	2,139
Pupil Transportation	77,002	25,718	25,000	718
Non-Instructional Services	18,255	6,097	5,927	170
Total Expenditures	3,726,209	1,244,520	1,209,779	34,741
Excess of Revenues Over (Under) Expenditures	(19,895)	(101,666)	(75,316)	26,350
Other Financing Sources (Uses):				
Advances-In	293,686	90,559	100,000	9,441
Transfers-Out	(58,758)	(19,625)	(19,077)	548
Refund of Prior Year Receipts	(125,590)	(41,946)	(40,775)	1,171
Total Other Financing Sources (Uses)	109,338	28,988	40,148	11,160
Net Change in Fund Balance	89,443	(72,678)	(35,168)	37,510
Fund Balance at Beginning of Year	153,146	98,048	98,048	-
Prior Year Encumbrances Appropriated	57,481	55,098	55,098	-
Fund Balance at End of Year	\$ 300,070	\$ 80,468	\$ 117,978	\$ 37,510

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SPECIAL TRUST FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Gifts and Donations	\$ 15,000	\$ 22,354	\$ 22,354	\$ -
Expenditures:				
Current:				
Support Services:				
Pupils	59,075	78,964	8,800	70,164
Net Change in Fund Balance	(44,075)	(56,610)	13,554	70,164
Fund Balance at Beginning of Year	56,611	55,146	55,146	-
Prior Year Encumbrances Appropriated	1,464	1,464	1,464	-
Fund Balance at End of Year	<u>\$ 14,000</u>	<u>\$ -</u>	<u>\$ 70,164</u>	<u>\$ 70,164</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOOD SERVICE FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 4,861,354	\$ 7,013,262	\$ 7,013,262	\$ -
Charges for Services	964,243	1,391,071	1,391,071	-
<b>Total Revenues</b>	<b>5,825,597</b>	<b>8,404,333</b>	<b>8,404,333</b>	<b>-</b>
Expenditures:				
Current:				
Support Services:				
Operation and Maintenance of Plant	68,852	100,220	100,103	117
Non-Instructional Services	5,828,810	8,485,845	8,474,384	11,461
<b>Total Expenditures</b>	<b>5,897,662</b>	<b>8,586,065</b>	<b>8,574,487</b>	<b>11,578</b>
Excess of Revenues Over (Under) Expenditures	(72,065)	(181,732)	(170,154)	11,578
Other Financing Sources (Uses):				
Transfers-In	2,024,402	2,920,516	2,920,516	-
Advances-Out	(1,836,822)	(2,674,128)	(2,670,516)	3,612
<b>Total Other Financing Sources (Uses)</b>	<b>187,580</b>	<b>246,388</b>	<b>250,000</b>	<b>3,612</b>
<b>Net Change in Fund Balance</b>	<b>115,515</b>	<b>64,656</b>	<b>79,846</b>	<b>15,190</b>
Fund Balance at Beginning of Year	440	100	100	-
Prior Year Encumbrances Appropriated	79,166	340	340	-
<b>Fund Balance at End of Year</b>	<b>\$ 195,121</b>	<b>\$ 65,096</b>	<b>\$ 80,286</b>	<b>\$ 15,190</b>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 UNIFORM SCHOOL SUPPLIES FUND - BUDGET (NON-GAAP) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Tuition and Fees	\$ 13,000	\$ 6,549	\$ 6,549	\$ -
Expenditures:				
Current:				
Instruction:				
Regular	13,736	16,322	7,898	8,424
Net Change in Fund Balance	(736)	(9,773)	(1,349)	8,424
Fund Balance at Beginning of Year	9,773	9,718	9,718	-
Prior Year Encumbrances Appropriated	55	55	55	-
Fund Balance at End of Year	<u>\$ 9,092</u>	<u>\$ -</u>	<u>\$ 8,424</u>	<u>\$ 8,424</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
WELCOME STADIUM FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Extracurricular Activities	\$ 752,736	\$ 472,262	\$ 472,262	\$ -
Expenditures:				
Current:				
Extracurricular Activities	915,191	820,562	501,346	319,216
Net Change in Fund Balance	(162,455)	(348,300)	(29,084)	319,216
Fund Balance at Beginning of Year	348,537	301,502	301,502	-
Prior Year Encumbrances Appropriated	102,869	47,034	47,034	-
Fund Balance at End of Year	<u>\$ 288,951</u>	<u>\$ 236</u>	<u>\$ 319,452</u>	<u>\$ 319,216</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
PERMANENT IMPROVEMENT FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 51,932	\$ 567,161	\$ 609,611	\$ 42,450
Intergovernmental	34,280	374,374	372,801	(1,573)
<b>Total Revenues</b>	<b>86,212</b>	<b>941,535</b>	<b>982,412</b>	<b>40,877</b>
Expenditures:				
Support Services:				
Fiscal	810,625	1,508,409	9,122	1,499,287
Operation and Maintenance of Plant	443,312	824,914	465,103	359,811
Pupil Transportation	2,196,546	4,087,328	2,304,518	1,782,810
Capital Outlay	1,957,498	3,642,507	2,053,719	1,588,788
Debt Service:				
Principal Retirement	333,602	620,766	350,000	270,766
Interest and Fiscal Charges	66,984	124,644	911,627	(786,983)
<b>Total Expenditures</b>	<b>5,808,567</b>	<b>10,808,568</b>	<b>6,094,089</b>	<b>4,714,479</b>
Excess of Revenues Over (Under) Expenditures	(5,722,355)	(9,867,033)	(5,111,677)	4,755,356
Other Financing Sources:				
Proceeds from Sale of Options	890,553	9,725,876	9,685,000	(40,876)
<b>Net Change in Fund Balance</b>	<b>(4,831,802)</b>	<b>(141,157)</b>	<b>4,573,323</b>	<b>4,714,480</b>
Fund Balance at Beginning of Year	4,905,250	2,596,683	2,596,683	-
Prior Year Encumbrances Appropriated	2,341,452	2,308,568	2,308,568	-
<b>Fund Balance at End of Year</b>	<b>\$ 2,414,900</b>	<b>\$ 4,764,094</b>	<b>\$ 9,478,574</b>	<b>\$ 4,714,480</b>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUILDING FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 127,582	\$ 137,739	\$ 137,739	\$ -
Interest	105,547	113,950	113,950	-
Gifts and Donations	120,413	130,000	130,000	-
Miscellaneous	146,459	158,117	158,117	-
Total Revenues	<u>500,001</u>	<u>539,806</u>	<u>539,806</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Vocational	266,139	215,892	186,326	29,566
Support Services:				
Fiscal	35,174	28,533	24,626	3,907
Operation and Maintenance of Plant	40,601	32,936	28,425	4,511
Central	2,172,176	1,762,066	1,520,753	241,313
Capital Outlay	29,873,210	24,233,102	20,914,394	3,318,708
Total Expenditures	<u>32,387,300</u>	<u>26,272,529</u>	<u>22,674,524</u>	<u>3,598,005</u>
Net Change in Fund Balance	(31,887,299)	(25,732,723)	(22,134,718)	3,598,005
Fund Balance at Beginning of Year	32,081,263	21,908,289	21,908,289	-
Prior Year Encumbrances Appropriated	<u>10,658,567</u>	<u>10,172,975</u>	<u>10,172,975</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 10,852,531</u>	<u>\$ 6,348,541</u>	<u>\$ 9,946,546</u>	<u>\$ 3,598,005</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SCHOOLNET FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 275,000	\$ -	\$ -	\$ -
Expenditures:				
Support Services:				
Central	200,336	336	336	-
Net Change in Fund Balance	74,664	(336)	(336)	-
Fund Balance at Beginning of Year	336	-	-	-
Prior Year Encumbrances Appropriated	336	336	336	-
Fund Balance at End of Year	<u>\$ 75,336</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 INTERACTIVE VIDEO DISTANCE LEARNING FUND - BUDGET (NON-GAAP) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Support Services:				
Central	11,142	11,142	-	11,142
Net Change in Fund Balance	(11,142)	(11,142)	-	11,142
Fund Balance at Beginning of Year	11,142	11,142	11,142	-
Fund Balance at End of Year	\$ -	\$ -	\$ 11,142	\$ 11,142

## Internal Service Funds

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### INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing of services provided by one department to other department of the School District on a cost-reimbursement basis.

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#### Warehouse

A fund used to account for the intra-district function of central warehousing for the School District.

#### Retrospective Workers' Comp

To account for the accumulation of resources from the funds in which employees are paid which will be used to pay the premiums and claims related to the School District's participation in the Ohio Bureau of Workers' Compensation Retrospective Rating Program.

#### Self-Insurance

To account for the payment of all School District employees' health and dental insurance claims.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
COMBINING STATEMENT OF FUND NET ASSETS  
ALL INTERNAL SERVICE FUNDS  
JUNE 30, 2010

	<u>Warehouse</u>	<u>Retrospective Workers' Comp</u>	<u>Self- Insurance</u>	<u>Total</u>
<u>Assets:</u>				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 256,100	\$ 7,495,364	\$ 4,290,824	\$ 12,042,288
Accounts Receivable	-	-	19,802	19,802
Due from Other Funds	-	2,706	-	2,706
Inventory Held for Resale	<u>976,971</u>	<u>-</u>	<u>-</u>	<u>976,971</u>
Total Current Assets	1,233,071	7,498,070	4,310,626	13,041,767
Noncurrent Assets:				
Capital Assets, Net of Accumulated Depreciation	<u>141,499</u>	<u>-</u>	<u>-</u>	<u>141,499</u>
Total Assets	<u>1,374,570</u>	<u>7,498,070</u>	<u>4,310,626</u>	<u>13,183,266</u>
<u>Liabilities:</u>				
Current Liabilities:				
Accounts Payable	16,297	-	-	16,297
Accrued Wages and Benefits	-	2,281	-	2,281
Intergovernmental Payable	-	1,031,124	-	1,031,124
Claims Payable	-	259,940	1,130,963	1,390,903
Compensated Absences Payable	<u>-</u>	<u>497</u>	<u>-</u>	<u>497</u>
Total Current Liabilities	16,297	1,293,842	1,130,963	2,441,102
Noncurrent Liabilities:				
Claims Payable	-	1,773,117	1,660,037	3,433,154
Compensated Absences Payable	<u>-</u>	<u>7,549</u>	<u>-</u>	<u>7,549</u>
Total Noncurrent Liabilities	<u>-</u>	<u>1,780,666</u>	<u>1,660,037</u>	<u>3,440,703</u>
Total Liabilities	<u>16,297</u>	<u>3,074,508</u>	<u>2,791,000</u>	<u>5,881,805</u>
<u>Net Assets</u>				
Invested in Capital Assets	141,499	-	-	141,499
Unrestricted	<u>1,216,774</u>	<u>4,423,562</u>	<u>1,519,626</u>	<u>7,159,962</u>
Total Net Assets	<u>\$ 1,358,273</u>	<u>\$ 4,423,562</u>	<u>\$ 1,519,626</u>	<u>\$ 7,301,461</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
ALL INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Warehouse	Retrospective Workers' Comp	Self- Insurance	Total
Operating Revenues:				
Sales	\$ 489,850	\$ -	\$ -	\$ 489,850
Charges for Services	-	2,922,298	25,539,471	28,461,769
Other Revenues	-	-	19,802	19,802
	<u>489,850</u>	<u>2,922,298</u>	<u>25,559,273</u>	<u>28,971,421</u>
Total Operating Revenues				
Operating Expenses:				
Salaries and Wages	607,805	68,687	-	676,492
Fringe Benefits	316,860	18,659	-	335,519
Purchased Services	4,339	1,275,652	1,297,280	2,577,271
Claims	-	364,820	24,062,415	24,427,235
Supplies and Materials	405,112	-	-	405,112
Cost of Sales	565,587	-	-	565,587
Depreciation	19,696	-	-	19,696
	<u>1,919,399</u>	<u>1,727,818</u>	<u>25,359,695</u>	<u>29,006,912</u>
Total Operating Expenses				
Income (Loss) Before Transfers	(1,429,549)	1,194,480	199,578	(35,491)
Transfers-In	924,665	-	-	924,665
Change in Net Assets	(504,884)	1,194,480	199,578	889,174
Net Assets at Beginning of Year	<u>1,863,157</u>	<u>3,229,082</u>	<u>1,320,048</u>	<u>6,412,287</u>
Net Assets at End of Year	<u>\$ 1,358,273</u>	<u>\$ 4,423,562</u>	<u>\$ 1,519,626</u>	<u>\$ 7,301,461</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
COMBINING STATEMENT OF CASH FLOWS  
ALL INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Warehouse	Retrospective Workers' Comp	Self-Insurance	Total
Cash Flows from Operating Activities:				
Cash Received from Interfund Services Provided	\$ 489,850	\$ 2,922,298	\$ 25,548,389	\$ 28,960,537
Cash Payments to Suppliers for Goods	(638,506)	(2,886,933)	(1,297,280)	(4,822,719)
Cash Payments to Employees for Services	(607,805)	(68,391)	-	(676,196)
Cash Payments for Employees Benefits	(316,860)	(18,286)	-	(335,146)
Cash Payments for Claims		(248,914)	(23,682,415)	(23,931,329)
Net Cash Provided by (Used in) Operating Activities	(1,073,321)	(300,226)	568,694	(804,853)
Cash Flows from Noncapital Financing Activities				
Transfers-In	924,665	-	-	924,665
Net Cash Provided from Noncapital Financing Activities:	924,665	-	-	924,665
Net Increase (Decrease) in Cash and Cash Equivalents	(148,656)	(300,226)	568,694	119,812
Cash and Cash Equivalents Beginning of Year	404,756	7,795,590	3,722,130	11,922,476
Cash and Cash Equivalents End of Year	\$ 256,100	\$ 7,495,364	\$ 4,290,824	\$ 12,042,288
Reconciliation of Operating Income (Loss) to Net Cash				
Provided by (Used in) Operating Activities:				
Operating Income (Loss)	\$ (1,429,549)	\$ 1,194,480	\$ 199,578	\$ (35,491)
Adjustments:				
Depreciation	19,696	-	-	19,696
Increase in Accounts Receivable	-	-	(10,884)	(10,884)
Increase in Due from Other Funds	-	(2,706)	-	(2,706)
Decrease in Inventory Held for Resale	392,488	-	-	392,488
Decrease in Accounts Payable	(55,956)	(1,534,207)	-	(1,590,163)
Increase in Accrued Wages and Benefits	-	296	-	296
Increase in Compensated Absences	-	809	-	809
(Decrease) in Intergovernmental Payable	-	(74,804)	-	(74,804)
Increase in Claims Payable	-	115,906	380,000	495,906
Net Cash Provided by (Used in) Operating Activities	\$ (1,073,321)	\$ (300,226)	\$ 568,694	\$ (804,853)

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY  
 WAREHOUSE FUND - BUDGET (NON-GAAP) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Sales	\$ 750,000	\$ 489,802	\$ 489,850	\$ 48
Expenses:				
Materials and Supplies	998,546	834,404	672,727	161,677
Net Change in Fund Equity	(248,546)	(344,602)	(182,877)	161,725
Fund Equity at Beginning of Year	404,754	321,395	321,395	-
Prior Year Encumbrances Appropriated	108,623	83,361	83,361	-
Fund Equity at End of Year	<u>\$ 264,831</u>	<u>\$ 60,154</u>	<u>\$ 221,879</u>	<u>\$ 161,725</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY  
RETROSPECTIVE WORKERS' COMP FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Charges for Services	\$ 5,500,000	\$ 2,922,298	\$ 2,922,298	\$ -
Expenses:				
Salaries and Wages	218,277	224,599	68,391	156,208
Fringe Benefits	58,363	60,055	18,287	41,768
Purchased Services	306,697	315,579	96,095	219,484
Claims	9,832,883	10,117,659	3,080,862	7,036,797
Total Expenses	10,416,220	10,717,892	3,263,635	7,454,257
Net Change in Fund Equity	(4,916,220)	(7,795,594)	(341,337)	7,454,257
Fund Equity at Beginning of Year	7,795,594	7,679,374	7,679,374	-
Prior Year Encumbrances Appropriated	133,556	116,220	116,220	-
Fund Equity at End of Year	\$ 3,012,930	\$ -	\$ 7,454,257	\$ 7,454,257

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY  
SELF-INSURANCE FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Charges for Services	\$ 20,000,000	\$ 25,548,390	\$ 25,548,390	\$ -
Expenses:				
Purchased Services	1,192,720	1,517,894	1,297,280	220,614
Claims	21,807,280	27,752,626	23,719,011	4,033,615
Total Expenses	23,000,000	29,270,520	25,016,291	4,254,229
Net Change in Fund Equity	(3,000,000)	(3,722,130)	532,099	4,254,229
Fund Equity at Beginning of Year	3,722,131	3,722,130	3,722,130	-
Fund Equity at End of Year	\$ 722,131	\$ 0	\$ 4,254,229	\$ 4,254,229

## **Fiduciary Fund**

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### AGENCY FUND

Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

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### Student Managed Activities

To account for the resources that belongs to the various student groups in the School District. The funds account for sales and other revenue generating activities by student activity programs, which have students, involved in the management of the program.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUND  
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>Student Managed Activities</b>				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 146,301	\$ 126,087	\$ 137,544	\$ 134,844
LIABILITIES:				
Accounts Payable	\$ 9,768	\$ 2,676	\$ 9,768	\$ 2,676
Due to Students	136,533	123,411	127,776	132,168
Total Liabilities	<u>\$ 146,301</u>	<u>\$ 126,087</u>	<u>\$ 137,544</u>	<u>\$ 134,844</u>

# **STATISTICAL SECTION**



## STATISTICAL SECTION

This part of the School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

### **Contents:**

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time. These schedules can be found on pages 131 to 139.

#### **Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the School District's most significant local revenue source, the property tax. These schedules can be found on pages 140 to 147.

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt, as well as, the School District's ability to issue additional debt in the future. These schedules can be found on pages 148 to 153.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place. These schedules can be found on pages 154 and 155.

#### **Operating Information**

These schedules contain information about the School District's operation and resources to help the reader understand how the School District's financial information relates to the services provided and activities performed. These schedules can be found on pages 156 to 160.

*Sources: Unless otherwise noted, the information in these schedules is derived from the School District's annual financial reports for the relevant year. The School District implemented GASB Statement No. 34 in fiscal year 2002; schedules presenting government-wide information begin with that fiscal year.*

DAYTON



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PUBLIC SCHOOLS

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

NET ASSETS BY COMPONENT  
LAST NINE FISCAL YEARS  
(accrual basis of accounting)

	2010	2009	2008	2007	2006	2005	2004	2003	2002
Net Assets:									
Invested in capital assets, net of related debt	\$274,083,127	\$204,395,827	\$ 156,806,490	\$ 11,057,668	\$ 21,173,201	\$ 15,672,577	\$ 22,001,233	\$ 17,935,291	\$ 18,342,669
Restricted	80,286,392	141,858,409	165,443,307	306,007,970	225,376,276	224,850,749	138,870,412	64,509,463	46,277,621
Unrestricted	25,248,921	18,542,406	19,671,988	17,820,009	20,890,120	43,945,296	44,177,779	44,625,359	31,739,382
Total Net Assets	<u>\$ 379,618,440</u>	<u>\$ 364,796,642</u>	<u>\$ 341,921,785</u>	<u>\$ 334,885,647</u>	<u>\$ 267,439,597</u>	<u>\$ 284,468,622</u>	<u>\$ 205,049,424</u>	<u>\$ 127,070,113</u>	<u>\$ 96,359,672</u>

**Notes:**

- (1) The School District reports only governmental activities and has no component units
- (2) The School District began to report accrual information when it implemented GASB Statement No. 34 for fiscal year 2002.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
EXPENSES, PROGRAM REVENUES, AND NET EXPENSE  
LAST NINE FISCAL YEARS  
(accrual basis of accounting)

	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Expenses:</b>									
Instruction	96,506,253	\$ 98,856,366	\$ 95,084,453	\$ 111,360,344	\$ 107,433,792	\$ 105,911,991	\$ 103,512,054	\$ 104,713,536	\$ 103,238,352
Pupils	9,677,972	10,819,918	10,155,766	9,575,153	9,537,921	12,672,265	11,741,172	11,475,516	10,079,837
Instructional Staff	18,484,817	15,699,017	13,464,968	19,131,027	22,070,344	17,534,083	17,929,198	14,111,108	12,453,911
Board of Education	1,083,663	703,373	1,525,305	1,095,719	1,504,940	465,405	433,358	331,687	312,390
Administration	18,587,883	16,305,055	12,003,326	13,132,034	14,653,219	13,219,010	14,587,381	16,318,592	14,702,327
Fiscal	3,700,471	3,779,802	4,289,621	3,058,611	3,851,625	3,987,371	3,214,000	5,258,782	2,951,955
Business	1,500,067	1,682,577	2,145,686	1,519,529	1,442,009	1,805,966	2,321,963	2,558,549	2,593,544
Operation and Maintenance of Plant	22,163,606	22,091,652	22,628,479	31,623,068	32,742,890	38,952,420	33,902,014	21,879,322	20,655,626
Pupil Transportation	16,741,034	15,992,195	18,765,970	19,206,398	19,099,802	17,542,113	16,613,992	14,803,426	14,701,497
Central	7,291,951	7,753,959	6,615,020	7,214,836	8,276,578	9,033,096	9,241,713	14,063,768	11,867,414
Non-Instructional Services	73,765,748	72,023,470	69,946,502	62,479,482	63,227,901	63,389,659	58,497,701	44,685,192	32,943,466
Extracurricular Activities	1,997,118	1,932,220	1,458,700	1,882,414	1,683,123	1,562,922	1,444,007	1,737,120	1,621,199
Interest and Fiscal Charges	12,029,713	11,693,210	11,951,294	12,165,455	12,283,960	12,228,489	12,440,143	1,178,038	145,568
Unallocated Depreciation	5,123,531	3,392,488	4,603,690	1,325,075	1,667,063	1,484,841	1,449,773	1,142,910	409,628
<b>Total Expenses</b>	<b>288,653,827</b>	<b>282,725,302</b>	<b>274,638,780</b>	<b>294,769,145</b>	<b>299,475,167</b>	<b>299,789,631</b>	<b>287,328,469</b>	<b>254,257,546</b>	<b>228,676,714</b>
<b>Program Revenues:</b>									
Charges for services and sales, reported by:									
Regular Instruction	1,789,584	2,386,406	1,341,082	1,835,460	1,396,178	577,862	1,026,650	635,993	433,247
Special Instruction	-	-	100,636	178,231	-	986,596	864,493	277,781	157,643
Non-Instructional Services	1,475,801	1,751,167	1,510,104	1,919,204	1,953,662	3,080,464	3,228,825	3,292,153	3,094,822
Extracurricular Activities	628,574	636,536	1,144,216	509,132	516,844	522,556	471,282	505,541	879,625
Other	745,087	305,335	1,064,374	-	5,482	424,129	568,198	678,473	792,397
<b>Total Charges for Services and Sales</b>	<b>4,639,046</b>	<b>5,079,444</b>	<b>5,160,412</b>	<b>4,442,027</b>	<b>3,872,166</b>	<b>5,591,607</b>	<b>6,159,448</b>	<b>5,389,941</b>	<b>5,357,734</b>
Operating Grants and Contributions	57,533,689	66,429,355	59,341,676	54,385,141	53,854,341	55,846,887	53,248,257	36,362,935	36,465,863
Capital Grants and Contributions	-	939,577	443,277	91,054,817	4,222,900	87,750,501	79,832,438	1,104,640	3,127,179
<b>Total Program Revenues</b>	<b>62,172,735</b>	<b>72,448,376</b>	<b>64,945,365</b>	<b>149,881,985</b>	<b>61,949,407</b>	<b>149,188,995</b>	<b>139,240,143</b>	<b>42,857,516</b>	<b>44,950,776</b>
<b>Net Expense</b>	<b>\$ (226,481,092)</b>	<b>\$ (210,276,926)</b>	<b>\$ (209,693,415)</b>	<b>\$ (144,887,160)</b>	<b>\$ (237,525,760)</b>	<b>\$ (150,600,636)</b>	<b>\$ (148,088,326)</b>	<b>\$ (211,400,030)</b>	<b>\$ (183,725,938)</b>

**Notes:**

- (1) The School District reports only governmental activities and has no component units.
- (2) The School District began to report accrual information when it implemented GASB Statement No. 34 for fiscal year 2002.

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS  
LAST NINE FISCAL YEARS  
(accrual basis of accounting)

	2010	2009	2008	2007	2006	2005	2004	2003	2002
Net Expense	\$ (226,481,092)	\$ (210,276,926)	\$ (209,693,415)	\$ (144,887,160)	\$ (237,525,760)	\$ (150,600,636)	\$ (148,088,326)	\$ (211,400,030)	\$ (183,725,938)
General Revenues:									
Property taxes levied for:									
General purposes	63,864,510	66,244,784	65,646,213	73,210,958	74,230,414	77,453,502	79,125,532	80,978,470	79,139,322
Debt service (a)	11,412,497	12,081,522	12,834,750	14,391,679	13,969,176	13,602,246	16,296,989	7,662,684	-
Capital projects (a)	654,684	686,935	725,811	810,634	798,454	835,327	990,348	457,970	-
Other purposes (a)	654,683	686,936	725,812	810,635	798,454	835,324	990,348	457,970	-
Grants and Entitlements No Restricted to Specific Programs	166,650,134	143,522,125	113,682,762	93,566,583	111,070,302	123,873,866	121,593,221	130,643,396	144,182,250
Investment earnings (b)	(6,557,960)	4,745,892	14,276,257	17,146,192	14,906,186	7,266,006	4,460,091	3,193,064	2,217,766
Miscellaneous	4,624,342	5,183,589	5,422,664	6,542,377	4,723,749	6,153,543	2,613,108	4,982,301	2,229,456
Total General Revenues	<u>241,302,890</u>	<u>233,151,783</u>	<u>213,314,269</u>	<u>206,479,058</u>	<u>220,496,735</u>	<u>230,019,814</u>	<u>226,069,637</u>	<u>228,375,855</u>	<u>227,768,794</u>
Change in Net Assets	<u>\$ 14,821,798</u>	<u>\$ 22,874,857</u>	<u>\$ 3,620,854</u>	<u>\$ 61,591,898</u>	<u>\$ (17,029,025)</u>	<u>\$ 79,419,178</u>	<u>\$ 77,981,311</u>	<u>\$ 16,975,825</u>	<u>\$ 44,042,856</u>

**Notes:**

- (1) The School District reports only governmental activities and has no component units
- (2) The School District began to report accrual information when it implemented GASB Statement No. 34 for fiscal year 2002.
- (a) Property taxes levied for debt service, capital projects and other purposes were first collected beginning in 2003 due to the passage of various levies to provide the local funding for the school facilities construction project.
- (b) The decrease in investment earning in fiscal year 2010 compared to the past five years was due to the decrease in interest rates and monies invested more conservatively in fiscal year 2010 as compared to the prior fiscal years as well as the change in fair mark value of the embedded derivative (options).

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

FUND BALANCE OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	2010	2009	2008	2007
General Fund:				
Reserved	\$ 3,799,901	\$ 6,289,229	\$ 5,211,314	\$ 6,330,325
Unreserved (Deficit)	961,061	279,230	(319,010)	(6,295,473)
Total General Fund	\$ 4,760,962	\$ 6,568,459	\$ 4,892,304	\$ 34,852
All Other Governmental Funds:				
Reserved (a)	77,428,519	\$ 61,517,410	\$ 42,417,236	\$ 127,820,587
Unreserved, reported in:				
Capital projects funds	53,027,881	102,417,098	133,053,990	111,135,925
Debt service fund	8,567,537	11,899,467	13,977,212	14,494,701
Special revenue funds	7,252,783	4,716,508	4,921,336	5,260,400
Total All Other Governmental Funds	\$ 146,276,720	\$ 180,550,483	\$ 194,369,774	\$ 258,711,613

**Notes:**

- (1) The School District implemented GASB Statement No. 34 in fiscal year 2002, therefore the amounts for fiscal year 2001 includes general, special revenue, capital projects and expendable trust funds.
- (a) The increases in the reservation of fund balance, beginning in fiscal year 2003, is attributed to outstanding encumbrances related to the school facilities construction project as well as increases in reservation of fund balance for property taxes for associated levies.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 14,560,529	\$ 15,966,465	\$ 12,703,669	\$ 11,307,291	\$ 7,932,076	\$ 14,032,763
<u>5,844,576</u>	<u>27,512,436</u>	<u>28,801,552</u>	<u>29,659,344</u>	<u>28,526,546</u>	<u>12,283,937</u>
<u>\$ 20,405,105</u>	<u>\$ 43,478,901</u>	<u>\$ 41,505,221</u>	<u>\$ 40,966,635</u>	<u>\$ 36,458,622</u>	<u>\$ 26,316,700</u>
\$ 82,594,602	\$ 55,553,048	\$ 16,158,653	\$ 12,137,589	\$ 7,044,236	\$ 7,576,427
185,877,391	233,569,356	296,800,624	190,338,905	25,257,713	1,292,397
14,058,105	14,215,742	20,952,155	108,740,006	-	-
<u>4,162,457</u>	<u>3,104,442</u>	<u>1,480,471</u>	<u>900,566</u>	<u>9,460,905</u>	<u>9,842,914</u>
<u>\$ 286,692,555</u>	<u>\$ 306,442,588</u>	<u>\$ 335,391,903</u>	<u>\$ 312,117,066</u>	<u>\$ 41,762,854</u>	<u>\$ 18,711,738</u>

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

REVENUES, EXPENDITURES AND DEBT SERVICE RATIO  
OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

	2010	2009	2008	2007
<b>Revenues:</b>				
Taxes	\$ 69,279,536	\$ 76,223,293	\$ 81,561,049	\$ 90,489,848
Intergovernmental	243,734,419	233,641,391	226,479,942	216,757,616
Interest	1,427,190	5,782,612	13,782,073	17,260,845
Tuition and Fees	1,285,216	2,105,684	2,103,573	1,493,412
All Other Revenues	8,075,526	7,732,819	8,591,424	9,500,464
Total revenue	<u>\$ 323,801,887</u>	<u>\$ 325,485,799</u>	<u>\$ 332,518,061</u>	<u>\$ 335,502,185</u>
<b>Expenditures:</b>				
Current:				
Instruction	97,474,076	\$ 99,360,164	\$ 91,854,848	\$ 115,046,682
Support Services:				
Pupils	9,421,194	10,671,850	10,214,217	9,863,485
Instructional Staff	18,457,903	15,418,891	13,614,035	19,559,431
Board of Education	1,043,473	704,595	1,515,645	1,108,281
Administration	18,431,062	16,112,024	12,102,344	13,538,125
Fiscal and Business	5,171,192	5,414,391	5,714,758	4,635,879
Operation and Maintenance of Plant	21,924,172	22,020,305	22,612,843	22,875,579
Pupil Transportation	18,108,151	15,292,841	17,289,289	18,557,040
Central	6,762,566	7,546,319	6,332,612	7,189,660
Non-Instructional Services	73,427,459	71,922,219	69,785,072	62,658,030
Extracurricular Activities	1,953,493	1,910,692	1,422,323	1,841,486
Capital outlay	76,457,572	51,779,324	120,414,866	87,105,790
Debt service:				
Principal Retirement	7,531,334	6,855,890	6,631,517	7,026,683
Interest and Fiscal Charges	12,479,835	12,133,216	11,969,440	12,175,930
Total expenditures	<u>\$ 368,643,482</u>	<u>\$ 337,142,721</u>	<u>\$ 391,473,809</u>	<u>\$ 383,182,081</u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	6.85%	6.65%	6.86%	6.49%

**Notes:**

- (1) The School District implemented GASB Statement No. 34 in fiscal year 2002, therefore the amounts for fiscal year 2001 includes general, special revenue, capital projects and expendable trust funds.
- (a) 2004 principal retirement included the repayment of a \$151.6 million, one-year, bond anticipation bond.

2006	2005	2004 (a)	2003	2002	2001
\$ 92,172,361	\$ 95,648,787	\$ 93,575,521	\$ 84,625,054	\$ 79,139,322	\$ 81,202,187
198,176,022	184,615,340	194,297,398	165,608,661	178,886,128	142,719,648
13,151,796	6,544,611	4,202,413	2,594,893	2,217,766	3,041,588
983,594	1,254,126	1,415,883	1,009,180	691,382	671,857
7,625,405	10,754,524	7,362,155	9,400,448	6,895,808	6,516,586
<u>\$ 312,109,178</u>	<u>\$ 298,817,388</u>	<u>\$ 300,853,370</u>	<u>\$ 263,238,236</u>	<u>\$ 267,830,406</u>	<u>\$ 234,151,866</u>
\$ 107,085,761	\$ 103,538,639	\$ 103,477,512	\$ 104,726,305	\$ 103,000,885	\$ 106,357,786
9,534,492	12,354,055	11,729,581	11,471,369	10,315,659	11,253,152
22,094,580	17,336,963	17,688,523	13,926,825	12,420,172	13,718,922
1,510,498	468,168	420,250	333,427	312,464	263,034
14,836,577	12,850,102	14,469,635	16,114,130	15,162,672	13,930,237
5,762,890	5,425,277	6,346,153	6,540,052	5,030,235	4,873,971
25,814,651	24,818,020	22,350,251	21,904,855	22,359,986	25,552,232
18,403,871	16,787,911	15,941,719	14,323,042	14,358,592	12,681,960
8,123,218	8,767,693	8,980,337	13,905,066	13,026,036	8,236,150
63,642,951	63,286,105	58,254,244	44,537,087	32,933,427	20,638,297
1,651,637	1,522,813	1,404,780	1,710,110	1,609,997	1,388,728
58,989,483	36,674,780	32,301,407	4,802,769	3,256,093	383,970
6,362,762	11,922,011	152,218,895	800,371	2,775,484	1,476,281
12,293,703	12,421,566	11,235,597	1,178,038	145,568	171,899
<u>\$ 356,107,074</u>	<u>\$ 328,174,103</u>	<u>\$ 456,818,884</u>	<u>\$ 256,273,446</u>	<u>\$ 236,707,270</u>	<u>\$ 220,926,619</u>
6.28%	8.35%	38.50%	0.79%	1.25%	0.75%

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**OTHER FINANCING SOURCES(USES) AND CHANGE IN FUND  
BALANCES FOR GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Excess of Revenues Over (Under)					
Expenditures	<u>\$ (44,841,595)</u>	<u>\$ (11,656,922)</u>	<u>\$ (58,955,748)</u>	<u>\$ (47,679,896)</u>	<u>\$ (43,997,896)</u>
<b>Other Financing Sources (Uses):</b>					
Proceeds from Sale of Capital Assets	-	98,849	91,060	10,883	8,403
Inception of Capital Leases	-	-	-	-	1,500,000
Proceeds from Sale of Bonds	-	-	-	-	-
Proceeds from Sale of Notes	-	-	-	-	-
Premium on Issuance of Bonds	-	-	-	-	-
Proceeds from Sale of Options	9,685,000	-	-	-	-
Discount on Issuance of Bonds	-	-	-	-	-
Transfers-In	3,460,042	23,006,814	20,600,018	444,226	475,018
Transfers-Out	<u>(4,384,707)</u>	<u>(23,591,877)</u>	<u>(21,219,717)</u>	<u>(1,126,408)</u>	<u>(809,354)</u>
Total Other Financing Sources (Uses)	<u>8,760,335</u>	<u>(486,214)</u>	<u>(528,639)</u>	<u>(671,299)</u>	<u>1,174,067</u>
Net Change in Fund Balance	<u><u>\$ (36,081,260)</u></u>	<u><u>\$ (12,143,136)</u></u>	<u><u>\$ (59,484,387)</u></u>	<u><u>\$ (48,351,195)</u></u>	<u><u>\$ (42,823,829)</u></u>

**Notes:**

(1) The School District implemented GASB Statement No. 34 in fiscal year 2002, therefore the amounts for fiscal year 2001 includes general, special revenue, capital projects and expendable trust funds.

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<u>\$ (29,356,715)</u>	<u>\$ (155,965,524)</u>	<u>\$ 6,964,790</u>	<u>\$ 31,123,136</u>	<u>\$ 13,225,247</u>
23,096	38,259	101,323	15,503	13,005
3,024,185	-	3,000,000	1,595,702	819,379
-	151,555,000	256,628,439	-	-
-	19,860,000	4,463,989	-	-
-	8,325,688	4,426,561	-	-
-	-	-	-	-
-	-	(37,428)	-	-
474,389	123,392,837	465,025	26,189,351	414,334
<u>(1,140,590)</u>	<u>(123,392,837)</u>	<u>(1,150,474)</u>	<u>(26,900,242)</u>	<u>(1,095,813)</u>
<u>2,381,080</u>	<u>179,778,947</u>	<u>267,897,435</u>	<u>900,314</u>	<u>150,905</u>
<u><u>\$ (26,975,635)</u></u>	<u><u>\$ 23,813,423</u></u>	<u><u>\$ 274,862,225</u></u>	<u><u>\$ 32,023,450</u></u>	<u><u>\$ 13,376,152</u></u>

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN CALENDAR YEARS

Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2010	\$1,770,190,640	\$5,057,687,543	\$72,227,100	\$185,850,333
2009	1,794,498,110	5,130,285,140	72,915,370	184,430,587
2008	1,849,984,400	5,285,669,714	71,137,000	182,692,750
2007	1,859,214,090	5,312,040,257	95,265,070	244,658,021
2006	1,882,065,240	5,377,329,257	96,489,120	247,801,604
2005	1,719,716,110	4,913,474,600	104,566,770	268,546,478
2004	1,712,346,690	4,892,419,114	109,740,800	281,834,327
2003	1,699,403,530	4,855,438,657	108,173,280	277,808,651
2002	1,441,598,740	4,065,558,400	102,552,730	263,374,057
2001	1,424,191,260	4,069,117,886	138,296,070	256,162,039

Source: Montgomery County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the Auditor.

**Notes:**

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property was phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010).

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generate the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 and 2 1/2 percent rollback reductions and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback reduction for commercial/industrial property has been eliminated.

Tangible Personal Property		Total		Total Direct Tax Rate	Assessed Value Ratio
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$2,404,820	\$9,619,280	\$1,844,822,560	\$5,253,157,156	75.75	35.1%
15,661,840	20,882,453	1,883,075,320	5,335,598,180	75.75	35.3%
93,440,335	1,495,045,360	2,014,561,735	6,963,407,824	70.85	28.9%
139,769,404	607,693,061	2,094,248,564	6,164,391,339	70.85	34.0%
187,024,961	813,152,004	2,165,579,321	6,438,282,865	70.85	33.6%
283,321,748	1,133,286,992	2,107,604,628	6,315,308,070	70.85	33.4%
279,165,476	1,116,661,904	2,101,252,966	6,290,915,345	70.85	33.4%
353,726,646	1,414,906,584	2,161,303,456	6,548,153,892	70.85	33.0%
389,681,365	1,558,725,460	1,933,832,835	5,887,657,917	62.65	32.8%
374,858,377	1,499,433,508	1,937,345,707	5,824,713,433	62.65	33.3%

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$1,000 ASSESSED VALUATION)  
LAST TEN CALENDAR YEARS**

YEAR	School District Millage (a)				Total
	Operating	Debt Service	Permanent Improvement	Maintenance and Upkeep	
2010	\$67.55	\$7.20	\$0.50	\$0.50	\$75.75
2009	67.55	7.20	0.50	0.50	75.75
2008	62.65	7.20	0.50	0.50	70.85
2007	62.65	7.20	0.50	0.50	70.85
2006	62.65	7.20	0.50	0.50	70.85
2005	62.65	7.20	0.50	0.50	70.85
2004	62.65	7.20	0.50	0.50	70.85
2003	62.65	7.20	0.50	0.50	70.85
2002	62.65	-	-	-	62.65
2001	62.65	-	-	-	62.65

Source: Montgomery County Auditor - Data is presented on a Calendar Year Basis because that is the manner in which the information is maintained by the Auditor.

**Notes:**

- (a) Prior to 2003 the School District had no general obligation debt. All additional millage reported for 2003 and after is associated with the school facilities construction project.
- (b) Overlapping millage presented is total millage for the subdivision.

Overlapping Millage (b)

Montgomery County	City of Dayton	Dayton Montgomery County Library	City of Trotwood	City of Riverside	Harrison Township	Jefferson Township
\$20.94	\$10.00	\$1.75	\$19.65	\$11.34	\$23.97	\$18.59
20.94	10.00	1.25	16.65	11.34	23.97	18.59
20.24	10.00	1.25	17.39	11.34	21.00	18.59
18.24	10.00	1.25	17.39	11.34	21.00	18.59
18.24	10.00	1.25	17.39	11.34	19.05	18.59
18.24	10.00	1.25	17.39	6.39	18.33	18.59
18.24	10.00	0.26	17.39	6.39	18.33	18.59
17.24	10.00	0.26	17.39	6.39	17.53	18.59
17.24	10.00	0.26	17.39	6.39	17.53	18.59
17.24	10.00	0.26	11.64	6.39	16.63	18.59

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**CURRENT FISCAL YEAR AND NINE YEARS AGO**

Name of Taxpayer	Fiscal Year 2010			Fiscal Year 2001		
	Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Dayton Power and Light Company	\$ 56,235,130	1	3.05%	\$ 98,866,120	1	5.10%
Caresource	15,455,080	2	0.84%			
NCR Corporation	10,912,560	3	0.59%			
Vectren Engery	8,204,930	4	0.44%			
Good Samaritan Hospital	7,918,060	5	0.43%			
Danis Fifth Third Bank	6,526,380	6	0.35%			
Kettering Tower Partners	5,531,980	7	0.30%			
Marriot International	5,455,160	8	0.30%			
Behr Dayton Thermal	4,810,680	9	0.26%			
Delamore Elizabeth	16,114,090	10	0.87%			
Delphi Automotive Systems				65,051,910	2	3.36%
AT & T / NCR				36,983,840	3	1.91%
Ohio Bell Telephone Company				30,241,190	4	1.56%
Cargill Inc.				23,097,050	5	1.19%
Tate & Lyle Citric Acid Inc.				20,533,169	6	1.06%
Amery Air Freight Inc.				16,071,410	7	0.83%
Reynolds and Reynolds				13,101,490	8	0.68%
Daimler Chrysler Corporation				13,090,360	9	0.67%
Durco International Inc.				9,488,360	10	0.49%
Subtotal	137,164,050		7.44%	326,524,899		16.85%
All Other Taxpayers	1,707,658,510		92.56%	1,610,820,808		83.15%
Total Assessed Valuation	<u>\$1,844,822,560</u>		<u>100.00%</u>	<u>\$ 1,937,345,707</u>		<u>100.00%</u>

Source: Montgomery County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the Auditor.

DAYTON

A stylized sun logo consisting of a yellow semi-circle with several short yellow lines radiating upwards from its top edge, and a light blue horizontal bar underneath it.

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PUBLIC SCHOOLS

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN CALENDAR YEARS

Year (1)	Current Levy	Current Collections (2)	Percent of Current Levy Collected	Delinquent Tax Collections (3)
2010	\$ 87,326,213	\$ 74,670,801	85.5%	\$ 4,924,943
2009	88,548,073	77,026,897	87.0%	6,180,051
2008	85,494,306	76,484,514	89.5%	7,561,992
2007	94,359,884	83,077,715	88.0%	9,047,073
2006	102,017,933	86,512,282	84.8%	11,965,577
2005	100,644,046	89,410,441	88.8%	9,807,078
2004	100,545,821	92,118,706	91.6%	6,868,829
2003 (5)	103,881,526	91,911,703	88.5%	6,169,575
2002	88,333,725	79,897,678	90.4%	6,144,153
2001	88,894,023	84,512,563	95.1%	4,910,464

Source: Montgomery County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the Auditor.

**Notes:**

- (1) Represents collection year. 2010 information represents tax levies and collections through November 1, 2010.
- (2) State reimbursements of rollback and homestead exemptions are included.
- (3) The County does not identify delinquent tax collections by tax year. Therefore, in years when delinquent collections include amounts from previous tax year, the total tax collections can exceed the current tax levy.
- (4) Penalties and interest are included since by Ohio law they become part of the tax obligation as assessment occurs.
- (5) Increase in levy and collection amounts in 2003 forward is attributed to increased tax rates approved for school construction project.

<u>Total Tax Collections</u>	<u>Total Collection As a Percent of Current Levy</u>	<u>Outstanding Delinquent Taxes (4)</u>	<u>Delinquent Taxes to Current Tax Levy</u>
\$ 79,595,744	91.1%	\$ 24,878,970	28.5%
83,206,948	94.0%	17,328,667	19.6%
84,046,506	98.3%	15,259,202	17.8%
92,124,788	97.6%	15,928,159	16.9%
98,477,859	96.5%	17,896,768	17.5%
99,217,519	98.6%	19,569,964	19.4%
98,987,535	98.5%	23,453,127	23.3%
98,081,278	94.4%	18,666,656	18.0%
86,041,831	97.4%	13,734,616	15.5%
89,423,027	100.6%	15,738,509	17.7%

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Year	General Bonded Debt			Percentage of Total Assessed Property Value (a)	Per Capita (b)
	General Obligation Bonds	Amount Available for Debt Service	Net Bond Indebtedness		
2010	\$ 221,745,305	\$ (8,567,537)	\$ 213,177,768	11.56%	\$ 1,386
2009	228,566,297	(11,899,467)	216,666,830	11.51%	1,382
2008	234,767,289	(13,977,212)	220,790,077	10.96%	1,390
2007	240,793,281	(14,494,701)	226,298,580	10.81%	1,424
2006	246,734,273	(14,058,105)	232,676,168	10.75%	1,452
2005	252,130,265	(14,215,742)	237,914,523	11.29%	1,432
2004	263,281,257	(20,952,155)	242,329,102	11.53%	1,458
2003	103,926,561	(103,926,561)	-	0.00%	0
2002	-	-	-	n/a	n/a
2001	-	-	-	n/a	n/a

**Notes:**

- (1) The School District reports only governmental activities and has no component units.
- (2) Details of the School District's outstanding debt can be found in Note 14 to in the notes to the basic financial statements.
- (a) See assessed and estimated actual value of taxable property for total assessed property value.
- (b) See demographics schedule for personal income and population data, which are reported on a calendar year basis.

Other Debt Obligations				Total Outstanding Debt Obligations	Percentage of Personal Income (b)	Per Capita (b)
Long-Term Notes Payable	Certificates of Participation	QZAB Bonds	Capital Leases			
\$1,750,000	\$15,070,000	\$10,000,000	\$2,705,157	\$ 242,702,925	10.26%	1,578
2,100,000	15,350,000	10,000,000	3,311,491	247,428,321	10.05%	1,517
2,450,000	15,600,000	10,000,000	3,892,381	252,732,458	12.45%	1,591
2,800,000	15,825,000	10,000,000	4,448,898	259,372,478	12.85%	1,633
3,150,000	16,025,000	10,000,000	5,510,581	267,361,749	13.41%	1,668
3,500,000	16,205,000	10,000,000	4,973,343	272,592,866	13.33%	1,640
3,500,000	16,360,000	10,000,000	3,091,169	275,280,271	13.87%	1,657
-	-	10,000,000	3,755,064	13,755,064	0.58%	83
-	-	-	1,555,435	1,555,435	0.07%	9
-	-	-	2,735,217	2,735,217	0.12%	16

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Assessed Property Value	\$1,844,822,560	\$1,883,075,320	\$2,014,561,735	\$ 2,094,248,564	\$2,165,579,321
<b><u>Overall Direct Debt Limitation:</u></b>					
Bond Debt Limit (a)	166,034,030	169,476,779	181,310,556	188,482,371	194,902,139
Net Bond Indebtedness	<u>(204,107,463)</u>	<u>(207,070,533)</u>	<u>(210,667,788)</u>	<u>(215,650,299)</u>	<u>(221,501,895)</u>
Overall Debt Margin (b)	<u><u>(38,073,433)</u></u>	<u><u>(37,593,754)</u></u>	<u><u>(29,357,232)</u></u>	<u><u>(27,167,928)</u></u>	<u><u>(26,599,756)</u></u>
<i>Total net bonded debt applicable to the limit as a percentage of overall direct debt limitation</i>	<i>122.93%</i>	<i>122.18%</i>	<i>116.19%</i>	<i>114.41%</i>	<i>113.65%</i>
<b><u>Unvoted Direct Debt Limitation:</u></b>					
Unvoted Debt Limit (a)	1,844,823	1,883,075	2,014,562	2,094,249	2,165,579
Unvoted Debt Outstanding	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted Debt Margin	<u><u>1,844,823</u></u>	<u><u>1,883,075</u></u>	<u><u>2,014,562</u></u>	<u><u>2,094,249</u></u>	<u><u>2,165,579</u></u>
<i>Total unvoted debt applicable to the limit as a percentage of unvoted direct debt limitation</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>

Source: Montgomery County Auditor and School District's financial records

**Notes:**

- (1) Prior to fiscal year 2003, the School District had no general bonded debt
- (a) Ohio Bond Law sets a limit of 9% for voted debt, 9/10 of 1% for energy conservation and 1/10 of 1% for unvoted debt.
- (b) The Superintendent of Public Instruction in Ohio, in accordance with Ohio Revised Code Section 133.06(E), certified the School District as an "Approved Special Needs District" in 2003 which enabled the School District to issue bonded debt in excess of the limits statutorily set by the Ohio Bond Law.

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$2,107,604,628	\$2,101,252,966	\$2,161,303,456	\$1,933,832,835	\$1,920,845,394
189,684,417	189,112,767	194,517,311	174,044,955	172,876,085
<u>(226,214,258)</u>	<u>(230,102,845)</u>	<u>(142,314,994)</u>	<u>-</u>	<u>-</u>
<u><u>(36,529,841)</u></u>	<u><u>(40,990,078)</u></u>	<u><u>52,202,317</u></u>	<u><u>174,044,955</u></u>	<u><u>172,876,085</u></u>
<i>119.26%</i>	<i>121.67%</i>	<i>73.16%</i>	<i>0.00%</i>	<i>0.00%</i>
2,107,605	2,101,253	2,161,303	1,933,833	1,920,845
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u><u>2,107,605</u></u>	<u><u>2,101,253</u></u>	<u><u>2,161,303</u></u>	<u><u>1,933,833</u></u>	<u><u>1,920,845</u></u>
<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2010**

<u>Governmental Unit</u>		<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Amount Applicable to School District</u>
Montgomery County	(b)	\$ 13,100,773	19.54%	\$ 2,559,891
City of Dayton	(b)	56,284,054	95.32%	53,649,960
City of Riverside	(b)	1,292,510	13.96%	180,434
City of Trotwood	(b)	13,040,000	2.63%	342,952
Greater Dayton Regional Transit Authority	(b)	2,625,000	19.54%	512,925
Subtotal, Overlapping Debt				57,246,163
School District Direct Debt				259,110,700
Total Direct and Overlapping Debt				<u>\$ 316,356,863</u>

Source: Ohio Municipal Advisory Council

**Notes:**

- (1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the School District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the School District. This process recognizes that, when considering the School District's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account.
- (a) Percentages were determined by dividing the assessed valuation of the subdivision located within the boundaries of the School District by the total assessed value of the subdivision.
- (b) Debt outstanding is as of December 31, 2009.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
**PLEDGED-REVENUE COVERAGE**  
**LAST SEVEN FISCAL YEARS**

Year	Revenue	Tax Anticipation Notes (a)		Coverage
		Principal	Interest	
2010	\$ 590,217	\$ 350,000	\$ 70,277	1.404
2009	665,845	350,000	83,265	1.537
2008	743,728	350,000	96,289	1.666
2007	820,988	350,000	108,885	1.789
2006	827,700	350,000	121,695	1.755
2005	869,373	-	125,253	6.941
2004	849,883	-	-	n/a

**Notes:**

- (1) Details regarding the School District's outstanding debt can be found in Note 14 to the basic financial statements.
- (2) Prior to fiscal year 2004, the School District did not have pledged-revenue debt.
- (a) These bonds are backed by the tax revenues collected on a one-half of one mill permanent improvement levy approved by voters in calendar year 2002.

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

DEMOGRAPHIC STATISTICS  
LAST TEN CALENDAR YEARS

Year	City of Dayton Population (1)	Personal Income (2)	Per Capita Personal Income	Unemployment Rate (3)
2009	153,843	\$ 2,366,597,490	\$ 15,383	12.1%
2008	156,771	2,366,597,490	15,096	12.1%
2007	158,873	2,029,749,085	12,776	7.2%
2006	158,873	2,017,874,488	12,701	8.3%
2005	160,293	1,994,164,343	12,441	7.6%
2004	166,179	2,045,250,213	12,308	7.1%
2003	166,179	1,984,250,078	11,940	5.5%
2002	166,179	2,354,103,980	14,166	5.6%
2001	166,179	2,239,718,644	13,478	7.4%
2000	166,179	2,272,727,732	13,676	6.0%

Source::

- (1) U.S. Census Bureau and Miami Valley Regional Planning Commission, reported on calendar year-end
- (2) Ohio Department of Taxation. Current year amounts are not available, therefore estimates based on trends were used to calculate this amount.
- (3) Ohio Bureau of Employment Services, reported on calendar year-end

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**PRINCIPAL AREA EMPLOYERS  
CURRENT YEAR AND THREE YEARS AGO**

<u>Employer</u>	<u>Fiscal Year 2010</u>			<u>Fiscal Year 2007 (b)</u>		
	<u>Employees (a)</u>	<u>Rank</u>	<u>Percentage of Total Employees</u>	<u>Employees (a)</u>	<u>Rank</u>	<u>Percentage of Total Employees</u>
Wright Patterson Air Force Base	18,260	1	34.01%			0.00%
Premier Heath Partners	12,000	2	22.35%			0.00%
Kettering Medical Center Network	7,000	3	13.04%			0.00%
Good Samaritan Hospital	3,000	4	5.59%			0.00%
Samaritan North	2,600	5	4.84%			0.00%
Dayton City School District	2,407	6	4.48%			0.00%
Sinclair Community College	2,377	7	4.43%			0.00%
Delphi Corporation	2,100	8	3.91%			0.00%
University of Dayton	2,094	9	3.90%			
U.S. Post Office	1,850	10	3.45%			
Wright Patterson Air Force Base				21,000	1	28.80%
Honda of America Manufacturing, Inc.				13,000	2	17.80%
Premier Heath Partners				9,000	3	12.40%
Kettering Medical Center Network				7,000	4	9.60%
Delphi Corporation				6,000	5	8.20%
Meijer Inc.				5,025	6	6.90%
The Reynolds and Reynolds Co.				4,400	7	6.00%
General Motors Corporation				4,000	9	5.50%
Miami University				3,500	10	4.80%
<b>Total</b>	<b>53,688</b>		<b>100.00%</b>	<b>72,925</b>		<b>100.00%</b>

Source: City of Dayton/Dayton Business Journal

**Notes:**

- (1) Information is presented on a calendar year basis as no information was available at the end of the School District's fiscal year.
- (a) Amount reported is employee headcount which differs from the "Full Time Equivalent" numbers reported elsewhere in this section.
- (b) Fiscal year 2007 is the latest information available

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

OPERATING STATISTICS  
LAST TEN FISCAL YEARS

Year	Average Daily Membership	Operating Expenditures (a)	Cost per Pupil	Percentage Change (b)
2010	13,664	\$ 210,456,733	\$ 15,402	8.77%
2009	14,393	203,818,669	14,161	17.26%
2008	16,157	195,120,251	12,077	-11.76%
2007	16,517	226,049,108	13,686	2.03%
2006	17,054	228,759,125	13,414	9.05%
2005	17,677	217,430,737	12,300	-0.73%
2004	17,463	216,373,020	12,390	3.05%
2003	18,163	218,384,612	12,024	14.67%
2002	20,144	211,211,438	10,485	9.54%
2001	21,078	201,761,987	9,572	12.13%

**Notes:**

- (1) The School District implemented GASB Statement No. 34 in fiscal year 2002, therefore the amounts for fiscal year 2001 includes general, special revenue, capital projects and expendable trust funds.
- (a) Operating expenditures are total governmental fund expenditures less capital outlay, debt service and intergovernmental expenditures which are recorded as non-instructional services and represent pass-through payments from the State of Ohio to charter schools within the School District boundaries.
- (b) Decrease in operating costs reported for 2008 was due to budget reductions implemented by the School District as part of its "fiscal recovery plan" developed to avoid a cash deficit during the fiscal year.

<u>Expenses</u>	<u>Cost per Pupil</u>	<u>Percentage Change</u>	<u>Number of Teaching Staff</u>	<u>Pupil-Teacher Ratio</u>	<u>Percentage of Free or Reduced Price Meals</u>
\$ 288,653,827	\$ 21,125	7.54%	1,052	12.99	74.56%
282,725,302	19,643	15.56%	1,146	12.56	74.56%
274,638,780	16,998	-4.75%	1,163	13.89	68.60%
294,769,145	17,846	1.63%	1,405	11.76	72.00%
299,475,167	17,560	3.54%	1,432	11.91	72.00%
299,789,631	16,959	3.07%	1,503	11.76	80.00%
287,328,469	16,454	17.54%	1,492	11.70	78.52%
254,257,546	13,999	23.31%	1,577	11.52	75.92%
228,676,714	11,352	N/A	1,620	12.43	71.03%
N/A	N/A	N/A	1,590	13.26	69.71%

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE  
LAST FIVE FISCAL YEARS

	<u>2010</u>	<u>2009</u>	<u>2008 (a)</u>	<u>2007</u>	<u>2006</u>
<b>Supervisory</b>					
Administrators/Supervisors	66	80	90	95	99
Principals	22	31	32	36	33
Assistant Principals	25	22	13	22	22
Total supervisory	<u>113</u>	<u>133</u>	<u>135</u>	<u>153</u>	<u>154</u>
<b>Instruction</b>					
Elementary Classroom Teachers	496	504	503	723	738
Secondary Classroom Teachers	243	255	254	367	388
Special Education Teachers	280	296	288	263	241
Vocational Teachers	33	37	29	10	12
Other Teachers (adult)	0	-	10	28	30
Instructional Professionals	0	-	-	21	23
Classroom Aides	289	249	251	283	297
Total instruction	<u>1,341</u>	<u>1,341</u>	<u>1,335</u>	<u>1,695</u>	<u>1,729</u>
<b>Student Services</b>					
Guidance Counselors	14	13	13	19	18
Social Workers	1	1	1	1	2
School Nurses	28	30	28	33	32
Psychologists	17	17	17	18	18
Librarians	8	10	10	11	12
Total student services	<u>68</u>	<u>71</u>	<u>69</u>	<u>82</u>	<u>82</u>
<b>Support and Administration</b>					
Clerical and Secretarial	133	141	145	143	150
Food Service	128	140	143	145	145
Transportation	212	234	215	212	221
Custodial	126	138	148	162	162
Maintenance	37	37	39	39	39
Total support and administration	<u>636</u>	<u>690</u>	<u>690</u>	<u>701</u>	<u>717</u>
<b>Total</b>	<u>2,158</u>	<u>2,235</u>	<u>2,229</u>	<u>2,631</u>	<u>2,682</u>

Source: District personnel records

**Notes:**

- (1) Information is only presented beginning with fiscal year 2006; additional years will be accumulated in future years. Obtaining previous years information was not practical.
- (2) The number of employees reported in this table might differ from the number of employees reported elsewhere in this report as this table presents FTE of employees whereas other numbers might present actual number of employees.
- (a) The reduction in the number of employees reported for fiscal year 2008 was due to the implementation of budget reductions necessary to avoid a negative operating fund balance.

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**  
TEACHER EDUCATION AND EXPERIENCE  
JUNE 30, 2010

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	270	25.67%
Bachelor's + 18 Semester Hours of Graduate Credit	98	9.32%
Master's Degree	533	50.67%
Master's Degree + 30 Semester Hours of Graduate Credit	143	13.59%
Doctorate Degree	<u>8</u>	<u>0.76%</u>
Total	<u><u>1,052</u></u>	<u><u>100.00%</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 4	130	12.36%
5 - 9	148	14.07%
10 - 14	183	17.40%
15 - 19	169	16.06%
20 - 29	354	33.65%
30 and over	<u>68</u>	<u>6.46%</u>
Total	<u><u>1,052</u></u>	<u><u>100.00%</u></u>

Source: Dayton City School District Human Resources Records

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**CAPITAL ASSET INFORMATION  
LAST FOUR FISCAL YEARS**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b><u>School Buildings: (a)</u></b>					
<b>Elementary (PK-8)</b>					
Buildings	19	19	24	25	26
Square Feet	1,473,978	1,684,130	1,709,892	1,626,710	1,552,428
Capacity	10,338	12,144	11,881	12,319	12,105
Enrollment	9,612	10,146	10,379	10,243	9,704
<b>Middle (b)</b>					
Buildings	-	-	1	3	5
Square Feet	-	-	189,424	456,644	403,681
Capacity	-	-	937	2,912	2,361
Enrollment	-	-	667	1,781	2,543
<b>High</b>					
Buildings	4	4	6	5	5
Square Feet	714,815	1,024,448	1,135,725	1,024,461	1,175,881
Capacity	4,192	5,094	6,017	5,756	7,054
Enrollment	4,052	4,247	4,384	4,409	4,829
<b>Other</b>					
Buildings	9	11	5	3	2
Square Feet	779,764	197,391	259,066	197,391	281,616
Capacity	4,689	1,666	2,092	1,666	1,892
Enrollment	(c)		(c)	(c)	(c)
<b><u>Administrative Building:</u></b>					
Buildings	1	1	2	2	2
Square Feet	150,000	150,000	220,500	220,500	220,500
<b><u>Service Buildings:</u></b>					
Buildings	5	5	4	5	4
Square Feet	224,639	224,639	120,564	143,964	120,564
<b><u>Transportation:</u></b>					
Garages	1	1	1	1	1
Buses	239	237	226	231	231
<b><u>Athletics:</u></b>					
Facility	1	1	1	1	1
Football Fields	9	8	8	10	11
Soccer Fields	4	4	4	3	6
Running Tracks	6	6	6	6	7
Baseball/Softball Fields	9	8	5	10	14
Swimming Pools	0	0	1	1	1
Playgrounds	44	44	37	41	48
Tennis Courts	16	16	11	7	0

Source: Dayton City Schools Records

**Notes:**

- (1) Information is only presented beginning with fiscal year 2006; additional years will be accumulated in future years. Obtaining previous years information was not practical.
- (a) The number and mix of school buildings will continue to change over the next several years as the district-wide school facilities construction project continues.
- (b) These buildings are not used in fiscal year 2009 due to the district decided not to have a separate middle schools. All the middle schools are closed. They merged the middle and the elementary schools together formed PK-8 schools.
- (c) These buildings represent combination and alternative center. Enrollment for these buildings are included in the appropriate level above.





## **VISION**

An innovative district of champions where students are academically and culturally prepared by a team committed to developing critical thinkers and productive citizens ready to serve the world community.

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**Dayton City School District  
Montgomery County, Ohio**

Reports on Compliance and Internal Controls and  
Schedule of Expenditures of Federal Awards

June 30, 2010

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Dayton City School District  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2010

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Award Receipts</u>	<u>Award Expenditures</u>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
<i>Child Nutrition Cluster:</i>			
<i>(Direct Award)</i>			
Cash in Lieu of Commodities (Food Distribution):			
National School Lunch Program	10.555	\$ 372,511	\$ 372,511
<i>(Passed Through Ohio Department of Education)</i>			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555	2,038	2,038
Cash Assistance:			
National School Breakfast Program	10.553	1,842,876	1,842,876
National School Lunch Program	10.555	4,282,237	4,282,237
Summer Food Service Program	10.559	<u>227,758</u>	<u>227,758</u>
Total Nutrition Cluster		<u>6,727,420</u>	<u>6,727,420</u>
ARRA - Child Nutrition Discretionary Grants - Food Service Equipment	10.579	17,572	17,572
Fresh Fruits and Vegetable Program	10.582	<u>109,648</u>	<u>109,648</u>
Total U.S. Department of Agriculture		<u>6,854,640</u>	<u>6,854,640</u>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>			
<i>(Passed Through City of Dayton, Ohio)</i>			
Community Development Block Grant - Entitlement	14.218	<u>137,739</u>	<u>240,687</u>
Total U.S. Department of Housing and Urban Development		<u>137,739</u>	<u>240,687</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
<i>(Direct Award)</i>			
Fund for the Improvement of Education	84.215	48,049	46,166
<i>(Passed Through Ohio Department of Education)</i>			
Adult Education - Basic Grants to States	84.002	-	93,206
<i>Title I, Part A Cluster:</i>			
Title I Grants to Local Educational Agencies	84.010	12,663,669	13,235,806
ARRA - Title I Grants to Local Educational Agencies	84.389	<u>2,363,995</u>	<u>2,192,948</u>
Total Title I, Part A Cluster		<u>15,027,664</u>	<u>15,428,754</u>
<i>Special Education Cluster:</i>			
Special Education Grant	84.027	4,198,264	4,689,661
ARRA - Special Education Grant	84.391	1,070,438	1,021,488
Special Education - Preschool Grant	84.173	161,532	169,368
ARRA - Special Education - Preschool Grant	84.392	<u>92,354</u>	<u>110,517</u>
Total Special Education Cluster		<u>5,522,588</u>	<u>5,991,034</u>
Career and Technical Education - Basic Grants to States	84.048	680,656	788,321
Safe & Drug Free Schools and Communities - State Grants	84.186	12,048	53,355
<i>Teacher Quality Partnership Grants Cluster:</i>			
Education for Homeless Children and Youth	84.196	113,146	126,293
ARRA - Education for Homeless Children and Youth	84.387	<u>31,110</u>	<u>24,589</u>
Total Teacher Quality Partnership Grants Cluster		<u>144,256</u>	<u>150,882</u>
Even Start - State Educational Agencies	84.213	-	14,492
Innovative Programs Grant	84.298	2,126	28,990

(Continued)

Dayton City School District  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2010  
(Continued)

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Award Receipts</u>	<u>Award Expenditures</u>
<i>Educational Technology State Grants Cluster:</i>			
Education Technology Grant	84.318	113,136	138,749
ARRA - Education Technology Grant	84.386	85,725	75,910
Total Teacher Quality Partnership Grants Cluster		<u>198,861</u>	<u>214,659</u>
Reading First State Grants	84.357	1,127,506	979,188
English Language Acquisition Grants	84.365	88,592	112,858
Improving Teacher Quality Grant	84.367	2,038,048	2,369,720
ARRA - State Fiscal Stabilization Fund - Education State Grants	84.394	8,468,664	8,305,003
Hurricane Education Recovery	84.938	<u>79,958</u>	<u>74,497</u>
Total U.S. Department of Education		<u>33,439,016</u>	<u>34,651,125</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>(Passed Through Miami Valley Child Development Centers)</i>			
Head Start	93.600	1,585,624	1,590,378
<i>(Passed Through Ohio Department of Developmental Disabilities)</i>			
Medical Assistance Program - Medicaid	93.778	<u>15,224</u>	<u>15,224</u>
Total U.S. Department of Health and Human Services		<u>1,600,848</u>	<u>1,605,602</u>
TOTAL FEDERAL AWARDS		<u>\$ 42,032,243</u>	<u>\$ 43,352,054</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Dayton City School District  
Notes to the Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2010

**Note A – Significant Accounting Policies**

The accompanying Schedule of Expenditures of Federal Awards summarizes the activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

**Note B – U.S. Department Of Agriculture Programs**

Cash receipts from the U.S. Department of Agriculture are commingled with State and Local funds. It is assumed federal monies are expended first.

**Note C – Food Distribution Programs:**

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule of Expenditures of Federal Awards at the fair market value of the commodities received and consumed. At June 30, 2010, the District had no significant food commodities in inventory.

**Note D – Matching Requirements**

Certain federal programs require the District to contribute non-federal funds (matching funds) to support federally-funded programs. The District has complied with the matching requirements. The expenditure of non-federal (matching) funds is not included on the Schedule of Expenditures of Federal Awards.

**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**

Board of Education  
Dayton City School District  
115 South Ludlow Street  
Dayton, Ohio 45402

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Dayton City School District (the District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 28, 2011. We conducted our audit 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures 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 District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not be designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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springfield, oh 45503

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## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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*.

We noted certain matters that we reported to management of the District, in a separate letter dated January 28, 2011.

This report is intended solely for the information and use of management, the audit committee, Board of Education, others within the District, the Auditor of State of Ohio, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Clark, Schaefer, Hachett & Co." The signature is written in black ink on a white background.

Springfield, Ohio  
January 28, 2011

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE  
A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133**

Board of Education  
Dayton City School District  
115 South Ludlow Street  
Dayton, Ohio 45402

**Compliance**

We have audited Dayton City School District's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2010. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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 the District'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. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2010-001.

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## Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, 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 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.

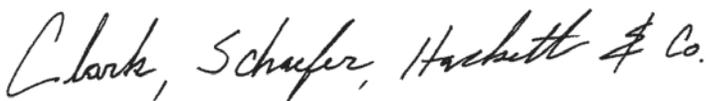
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2010-001. A significant deficiency in internal control over compliance is a deficiency, or 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.

## Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2010, and have issued our report thereon dated January 28, 2011. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

This report is intended solely for the information and use of management, the audit committee, Board of Education, others within the District, the Auditor of State of Ohio, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Springfield, Ohio  
January 28, 2011

**Section I – Summary of Auditors’ Results**

**Financial Statements**

Type of auditors’ report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Noncompliance material to financial statements noted?	None noted

**Federal Awards**

Internal control over major programs:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes
Type of auditors’ report issued on compliance for major programs:	Unqualified
Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	Yes

Identification of major programs:

*Title I, Part A Cluster:*

- CFDA 84.010 – Title I Grants to Local Educational Agencies
- CFDA 84.389 – Title I Grants to Local Educational Agencies – ARRA

*Special Education Cluster:*

- CFDA 84.027 – Special Education Grant
- CFDA 84.391 – Special Education Grant – ARRA
- CFDA 84.173 – Special Education – Preschool Grant
- CFDA 84.392 – Special Education – Preschool Grant – ARRA

*Educational Technology State Grants Cluster:*

- CFDA 84.318 – Education Technology Grant
- CFDA 84.386 – Education Technology Grant - ARRA

CFDA 84.394 – State Fiscal Stabilization Fund – Education State Grants

Dollar threshold to distinguish between Type A and Type B programs:	\$1,300,562
Auditee qualified as low-risk auditee?	Yes

**Section II – Financial Statement Findings**

None Noted

### **Section III – Federal Awards Findings and Questioned Costs**

#### **Finding 2010-001 – State Fiscal Stabilization Fund – Education State Grants (CFDA No. 84.394)**

Condition: During the audit, the School District did not comply with reporting to the Ohio Department of Education (ODE), the total number of vendors that received single payments greater than \$25,000 on the 1512 ARRA Subrecipient Vendor report. During our procedures we noted two (2) vendors who received single payments in excess of the \$25,000 which were not properly reported to ODE.

Criteria: American Recovery and Reinvestment Act of 2009 (ARRA), section 1512 (b) & (c) requires any entity that receives Recovery funds directly from the Federal Government to submit to the Federal Agency no later than 10 days after the end of each calendar quarter in which the Federal Recovery funds were received. The Ohio Department of Education's American Recovery and Reinvestment Act Reporting Guidance states that ODE, as a prime recipient of ARRA funding, is required to report quarterly to the federal government data on ARRA programs. The School District did not receive direct ARRA funding. However, the ODE's reporting guidance indicates that ODE distributes ARRA funds to local education agencies (LEAs) as subrecipients and must collect quarterly data from LEAs to meet the 1512 reporting requirements associated with ARRA funding. Thus, the 1512 reporting requirements filter down to the School District which is required to report certain information to ODE. Among the items to be reported, the vendor name and zip code are required for each vendor that received a single payment, from a single ARRA grant, in excess of \$25,000.

Effect: Failure to properly report in accordance with program requirements could result in loss of funding or other actions by the funding agency.

Cause: The School District did not implement procedures to ensure that all vendors receiving single payments of \$25,000 were reported on the ODE 1512 ARRA Subrecipient Vendor report on a quarterly basis.

Recommendation: We recommend the School District implement procedures to ensure all vendors receiving single payments of \$25,000 are reported on the ODE 1512 ARRA Subrecipient Vendor report to comply with federal regulations.

#### **Management Response:**

*The rules for the reporting requirements for ARRA funds changed throughout the grant period. Therefore, with the rules changing, the District missed reporting two vendors. In the future, the District will make every effort to be aware of the current rules of reporting the ARRA data.*

**Finding 2009-001: Expenditures Exceeding Appropriations**

The food service fund had budgetary expenditures (expenditures plus encumbrances) which exceeded appropriations by \$2,670,516 at June 30, 2009.

Status: Corrected.



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# Dave Yost • Auditor of State

DAYTON CITY SCHOOL DISTRICT

MONTGOMERY COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
MARCH 31, 2011