



Dayton City School District Comprehensive Annual Financial Report

for the Fiscal Year Ended June 30, 2014



DAYTON CITY SCHOOL DISTRICT

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

for the

FISCAL YEAR ENDED JUNE 30, 2014



Dayton, Ohio

Comprehensive Annual Financial Report

of the

Dayton City School District

for the

Fiscal Year Ended June 30, 2014

Prepared by

Treasurer's Office

Craig A. Jones

Treasurer and Chief Financial Officer



115 South Ludlow Street
Dayton, Ohio 45402



Dayton Board of Education

June 30, 2014



Robert C. Walker, D.Min.
President



Nancy A. Nerny
Vice President



Adil Baguirov, Ph.D.
Board Member



Joseph E. Lacey
Board Member



Ronald C. Lee
Board Member



**Hazel Roundtree,
Ph.D., J.D.**
Board Member



Sheila Taylor
Board Member



Lori L. Ward
Superintendent



Craig A. Jones
Treasurer

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2014**

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Lori L. Ward
Superintendent

Craig A. Jones
Treasurer/CFO

December 24, 2014

To The Board of Education and Citizens of the
Dayton City School District, Montgomery County, Ohio:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Dayton City School District (School District) for the fiscal year ended June 30, 2014. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the School District. This report is prepared in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. We believe the enclosed data is fairly presented in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District. We further believe all disclosures necessary to enable the reader to gain an understanding of the School District's financial activities have been included. This report has been prepared by the Treasurer/Chief Financial Officer's Office and includes an opinion from the Ohio Auditor of State.

A comprehensive framework of internal control has been established to govern the processing and reporting of the School 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.

The Ohio Auditor of State has issued an unmodified opinion on the School District's financial statements for the fiscal year ended June 30, 2014. The report of the independent auditor's is located in the front of the financial section of this report.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management 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 School District's MD&A provides an assessment of key financial highlights and performance taken as a whole. The MD&A can be found immediately following the Independent Auditor's Report.

This report will be made available via the World Wide Web at <http://www.dps.k12.oh.us/>.

SCHOOL DISTRICT PROFILE

The School District and Its Facilities

The School District is located in Montgomery County (County) approximately 68 miles west of the City of Columbus and 52 miles north of the City of Cincinnati. The territory of the School District consists of a portion of two townships: Harrison and Jefferson, as well as portions of the City of Dayton (City), the City of Riverside, and the City of Trotwood. The School District's total area is approximately 49 square miles. The School District provides educational services, as mandated by state and/or federal laws, to children located within its boundaries. For the 2013-2014 school year, the School District was the 10th largest school district in the State of Ohio with 13,516 enrolled students.

School District Facilities

Name of Building	Grades	Enrollment (2013-2014)	Capacity	Year Building Completed
Belle Haven Elementary	PK-8	455	473	2006
Charity Adams Earley Girls Academy	K-7	391	473	2011
Cleveland Elementary	PK-8	424	473	2007
Dayton Boys Prep Academy	PK-8	312	473	2010
E.J. Brown Elementary	PK-8	404	473	2009
Eastmont Elementary	PK-8	470	473	2011
Edison Elementary	PK-8	493	473	2010
Fairview Elementary	PK-8	472	473	2011
Gorman at Jackson ¹	PK-8	NA	418	1960
Horace Mann Elementary	PK-8	451	473	2008
Kemp Elementary	PK-8	379	473	2008
Kiser Elementary	PK-8	476	473	2006
Louise Troy Elementary	PK-8	374	473	2008
Meadowdale Elementary	PK-8	546	550	2011
River's Edge Montessori	PK-8	534	550	2011
Rosa Parks Elementary ¹	PK-8	NA	473	2007
Ruskin Elementary	PK-8	545	473	2008
Valerie Elementary	PK-8	421	336	1966
Westwood Elementary	PK-8	384	473	2008
Wogaman Elementary	4-8	246	473	2006
World of Wonder Elementary	PK-8	497	473	2010
Wright Brothers Elementary	PK-8	514	473	2012
Belmont High School	7-12	1,001	945	2011
David H. Pontiz Career Tech. Center	9-12	812	800	2009
Dunbar High School	9-12	611	645	2009
Meadowdale High School	9-12	638	645	2010
Stivers School for the Arts	7-12	883	998	2007
Thurgood Marshall High School	9-12	718	675	2008
Longfellow Alternative	K-12	65	919	1880
Gardendale Academy ¹	K-12	NA	329	1957
Total	n/a	13,516	16,324	n/a

¹ The School District closed the Gorman at Jackson building and Gardendale Academy starting with the 2014-2015 school year. In addition, the Rosa Parks building, previously a preK-8 building, reopened for the 2014-2015 school year as an Early Learning Center.

Organization of the School District

The Board of Education (Board) of the Dayton City School District is a political and corporate body charged with the responsibility of managing and controlling affairs of the School District. The School 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.

Official	Office	Expiration of Current Term	Beginning of Tenure
Dr. Robert C. Walker	President	12/31/2015	01/01/2012
Nancy A. Nerny	Vice President	12/31/2015	01/01/2008
Dr. Adil T. Baguirov	Member	12/31/2017	01/01/2014
Joseph Lacey	Member	12/31/2017	01/01/2006
Ronald C. Lee	Member	12/31/2017	11/01/2007
Dr. Hazel G. Rountree	Member	12/31/2017	01/01/2014
Sheila Taylor	Member	12/31/2015	01/01/2008

In November 2013, Ronald C. Lee and Joseph Lacey were re-elected and Dr. Adil T. Baguirov and Dr. Hazel G. Rountree were elected to four year terms ending December 31, 2017.

Duties and responsibilities of the Board of Education are found in the laws governing public education in Ohio. The Board of Education directly employs the Superintendent and Treasurer/CFO and serves as the legislative body of the School District. Board duties include:

- Informing the public concerning the progress and needs of the schools, and to solicit and weigh public opinion as it affects the schools.
- Considering and passing upon the recommendations of the Superintendent and Treasurer/CFO in all matters of policy, appointment or dismissal of employees, salary schedules or other personnel regulations, course of study, selection of textbooks, or other matters pertaining to the welfare of schools.
- Exercising its taxing power to provide funds for the operation of the School District.
- Adopting an annual tax budget and appropriation measure.
- Approval of a five-year financial forecast as a tool in long-range planning.

The Superintendent of Schools is the chief executive officer of the School 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. Mrs. Lori Ward was appointed as the Superintendent on July 1, 2010. Mrs. Ward was the Superintendent of record for this reporting period.

The Treasurer is the chief financial officer of the School District and is appointed by and reports directly to the Board. Craig A. Jones became Treasurer/CFO of the School District on July 1, 2013 after serving as Treasurer/CFO of Troy City Schools for three years and Lakota Local Schools in Butler County for over 9 years, both as Assistant Treasurer and Treasurer/CFO.

Mr. Jones holds a Bachelor of Science degree in Business Administration, with a dual major in accounting and finance, from Ohio Northern University. He is a Certified Public Finance Officer as well as a Certified Government Financial Manager.

Employee Relations and Benefits

The School District currently has 1,215 certificated employees (psychologists, teachers, reserve teachers, and administrators) and 1,053 classified employees (administrators, secretarial, clerical, custodial, and cafeteria workers, as well as bus drivers and other non-teaching, non-administrative personnel). Therefore, the School District currently has approximately 2,268 full and part-time employees.

List of Employment Contracts and Expiration
(as of November 2014)

Union	# of Employees	Expiration Date
Dayton Education Association	1,042	6/30/2017**
Reserve Teachers	155	8/31/2015
<u>DPSU</u>		
Local 101 – Operations	230	9/30/2014*
Local 101 – Security Resource Officers	26	4/30/2014*
<u>OAPSE</u>		
Local 156 – Mechanics	12	3/31/2014*
Local 158 – Clericals	102	12/31/2013*
Local 191 – Lead Child Care Teachers/Mental Health Teachers/Occup. Therapist Assts./Physical Therapist Assts.	6	6/30/2017
Local 627 – Bus Drivers	162	4/30/2014*
Local 643 – Paraprofessionals	285	9/30/2014*
Local 766 – Dayton Education Interpreters	13	6/30/2017
Local 766B – Psychologists	12	6/20/2017
<u>BUILDING/TRADES</u>		
Dayton Bldg. & Const. Trades	31	7/31/2012*

Source: Dayton City School District

* Currently in negotiations

** Wage Reopener

Benefit expenditures are comprised of employer retirement contributions, medical, dental and life insurance, workers' compensation and unemployment compensation. The School District provided life insurance and accidental death and dismemberment insurance to employees through the Hartford Insurance Company. The School District has a self-funded health insurance coverage utilizing UnitedHealthcare Insurance Company (UHC) as a third party administrator. The employee share is a minimum of 15% of the total health care premium depending upon plan option and single/family contract selected. Dental insurance is provided to eligible employees and administered by Delta Insurance on a premium based policy issued by Assurant.

All School 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 School 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 School 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, the School District employees are not presently covered by the federal Social Security Act.

ECONOMIC CONDITION AND OUTLOOK

Dayton Area Economy

The School District is located in the Dayton Metropolitan Statistical Area (the "MSA"), which consists of Greene, Miami, Montgomery and Preble Counties. The strength of the region's economy is derived from the importance of its aviation and aerospace industries, coupled with its diverse economic base and its geographic location, with ready access to some of the largest markets in North America. While the area's traditional manufacturing base, in automobile parts and assembly, has seen dramatic changes and economic dislocations in recent years, the manufacturing sector in medical, aerospace and high-tech sectors remains vibrant and strong. Development efforts continue to further diversify the economic base, leveraging technology sectors and the research and development activities at Wright-Patterson Air Force Base.

Wright Patterson Air Force Base (WPAFB) has a historically significant tie to this community and to aviation as a whole. Currently, this facility is the largest single site employer within the State of Ohio and has over 27,000 military and civilian employees. This translates into an economic impact over \$5 billion. The Base is headquarters for the Aeronautical Systems Center (ASC) – the foremost aeronautical acquisition center in the U.S. Air Force.

There have been 2,300 jobs added to the region from July 2013 to July 2014. Of those jobs added to the region, 400 were in goods production and 2,000 were in non-farm employment. One source of new jobs in the region is the 124,000 square foot Scene75 Entertainment Center facility, which opened in July 2012 as the largest indoor entertainment center in the country. The facility includes an indoor electric go-kart track, a multi-sensory 4-D theater, a laser tag arena, video gaming theaters, and other attractions. With a visible location off of Interstate 75, the entertainment complex has continued to draw visitors from all across the region.

The Hollywood Gaming at Dayton Raceway, also known as the Racino, opened in late August 2014. Penn National Gaming invested \$250 million in the facility which features over 1,000 video lottery terminals, and a 5/8 mile race track for harness racing. The Racino employees about 500 people.

Dayton Children's Hospital broke ground in August 2014 on a \$141 million 260,000 square foot eight story patient tower. Construction is expected to be completed by 2017. The hospital currently employees approximately 1,500 people.

Some of the largest for-profit employers in the MSA include: Premier Health Partners, Kettering Health Network and LexisNexis. Many of the area's largest employers are hospitals or medical centers, which provide specialized medical services to patients from outside the area. Other large employers include several of the universities located in the region. In addition to aerospace-related companies, regional businesses are well-known for their initiatives and advancements in the fields of advance materials and manufacturing, information technology and data management. The MSA currently has the highest concentration per capita of scientific and technical personnel in the State.

A recent partnership between the University of Dayton (the "University") and General Electric ("GE") Aviation is evidence of the region's forward-thinking strategies that will allow it to continue its growth in the area of research and development. The \$51 million Electrical Power Integrated Systems Research and Development Center, known as EPISCENTER, was built on the northwestern edge of the University and was completed in 2012. University researchers will work side by side with GE scientists and engineers to imagine and create the next generation of electrical power systems and technologies. It is expected that EPISCENTER will attract high caliber engineering talent and will be a catalyst for new contracts and products resulting in job growth. Wright-Patterson Air Force Base will be one of the major markets for the center's innovations in civil and military aerospace applications.

Another venture that has helped to position the region as a national leader in science and technology is the development of the Miami Valley Research Park. Located on more than 1,250 acres of land, the research park is a university-related high-tech facility developed by the non-profit Miami Valley Research Foundation, which integrates academic, business, industry and government interests. Currently, 43 organizations, with combined employment of over 4,500 jobs, have located in the research park.

There is also significant support for new business growth and development from the Dayton Area Chamber of Commerce, the Dayton Job Center, and BusinessFirst!, a program run by Montgomery County's Economic Development Department. BusinessFirst! has grown in membership from 14 to 23 jurisdictions in the Greater Dayton Region, and has been instrumental in helping companies like IMI Norgren, Smiths Aerospace, SK Tech, Paxar, Dayton-Phoenix, Inc., Moto Photo, ConSpan Bridge Systems, Appleton, LORD Corporation, and more stay and grow in the region. The Miami Valley International Trade Association provides critical resources for promoting international trade in the region as well, benefiting local companies like Apache Technologies, Inc. and Dayton Systems Group

Technology. On a broader scale, Ohio is the ninth-largest exporting state in the United States, and experienced year over year growth of 10.8% in 2012.

Twenty-six institutions of higher education located within a 90-mile radius of the MSA provide a ready resource of highly qualified professional employees as well as educational programs and interdisciplinary research programs to support area businesses.

School Foundation

The State's School Foundation Program is the major source of revenue for the School District's general fund. The State assists public school districts under a statutory program, which includes direct payments to school 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 School 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 school 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.

Long-term Financial Planning

As required by Ohio law, the School District approved a five-year financial forecast of operational revenues and expenditures along with assumptions in October 2014. Expenditures are projected to exceed revenues the last two years of the five forecasted fiscal years. However, the general fund unreserved fund balance is expected to offset the excesses for all years of the forecast. Given the uncertainty of future state budgets, as well as local, state and national economic factors, years beyond fiscal year 2015 may deviate significantly from the forecast. Expenditure reductions are occurring annually. The timing and size of an additional revenue request is in the planning stages.

MAJOR INITIATIVES

In 2008, the Board approved a Strategic Plan and a Contract with the Community. The intent of the Contract was to demonstrate that the School District is committed to becoming a more effective, efficient, and transparent educational enterprise and to establish an Accountability Panel Committee which would be responsible for monitoring the school district's progress on a quarterly and annual basis. At that time, the School District sought candid input from parents, community members, business, labor, civic and neighborhood leaders, the faith community, School District employees, and many others. The information was used to develop the School District's strategic plan for success. The plan was developed to take us from where we are now to where we want to be. The plan is to be reviewed by community stakeholders on a three-year cycle.

In 2012, 62 community members were assembled to review the School District's performance and the strategic plan. In March 2014 the Board adopted the revised strategic plan. The collaboration of this team updated the School District's vision, mission statement, values and beliefs as well as five strategic goals as indicated below. Dayton's future depends on the sustained progress of its school system.

Vision

“Dayton Public Schools will be a model education system where all students are academically successful, culturally engaged and ready for postsecondary opportunities and careers upon graduation. Teachers, parents and community partners will be active participants in our schools, and contribute to student growth.”

Mission Statement

“Dayton Public Schools provides a high-quality education in a safe environment that prepares our students for success in school, work and life by providing a highly effective trained staff working each day with community resources.”

Values and Beliefs

- **Excellence** – We will pursue the highest standards in educational and operational performance.
- **Fairness** – We will ensure all children equitable access to the resources necessary for academic success.
- **Acceptance** – We will value the strengths of a diverse community and respect the differences of individuals.
- **Integrity** – We will build productive relationships through honest, open communication that fosters trust.
- **Individuality** – We will respect and encourage the unique talents and abilities of each individual.

- **Innovation** – We will seek out and implement new and different ways of improving our performance.

Five Strategic Goals:

Goal 1 - High-Quality Education

- Create an environment conducive to learning that prepares all students for college and/ or careers. Our schools possess the technology that our teachers, staff and students need to develop the skills necessary to be successful. Students are educated in a safe and secure environment.

Goal 2 - High-Quality Faculty and Staff

- We will be the employer of choice for the best teachers and the best staff. Our teachers will be prepared, innovative and supported. We provide development opportunities for our faculty and staff to continuously improve. Our customer service, both internally and externally, will be exceptional. We will be welcoming and responsive to students, parents, community members and each other.

Goal 3 - Engaged Parents

- Our greatest allies in our students' education and development are the parents. We must know and understand our DPS parents to better support students. And they must know and understand the School District to better support their children.

Goal 4 - Community Collaborations and Partnerships

- Earn the trust and support of the entire community we serve. We must constantly demonstrate how we value our community partners and collaborators.

Goal 5 - Fiscal Responsibility and Accountability

- Fiscal responsibility extends beyond money to include buildings, vehicles, equipment and technology. Not only do we accept responsibility for being effective and efficient in how we use resources, we also are accountable to the community. Teachers and staff are trained to understand school funding and key metrics of performance. We have a well-developed communications network that keeps everyone throughout our organization informed. In addition, our parents and our community partners can take pride in our stewardship of public and private dollars through an ongoing process of communications and feedback.

In 2014, the Accountability Panel Committee met and revised the Contract with the Community for 2014-2019 as follows:

- I. Dayton Public Schools will provide quality classroom instruction to...
 - a. Ensure that ALL students grow at least one academic year annually and are taught by effective teachers
 - b. Ensure that 80% of students are proficient on all state-mandated achievement tests
 - c. Ensure that 80% of students graduate on time and ready for post-secondary or career opportunities
 - d. Achieve a “C” or better on all Report Card categories
 - e. Provide quarterly and annual reports to the community on academic, operational and financial status. Financial metrics will include:

- i. per-pupil expenditures will be at or below the midpoint of the Ohio 8 Coalition and
- ii. the instructional percentage of the budget will be above the median of the Ohio 8 Coalition

II. The Community will...

- a. Advocate for high-quality, affordable early childhood education
- b. Advocate for youth and adult literacy
 - i. Summer academic and recreational programs
 - ii. Before/after/Saturday programs targeted at reading and math literacy
 - iii. Children birth to grade three have access at home to age appropriate books
- c. Partner with Dayton Public Schools to provide support services and college- and career-ready opportunities for students
 - i. Mentors
 - ii. Internships
 - iii. College-readiness support (college fairs and college tours)
- d. Invest in schools as community centers

III. Families will...

- a. Ensure children enter kindergarten ready to learn
- b. Participate in parent/teacher conferences
- c. Ensure children attend school daily and are prepared to learn

Academic Plan

The School District has established four district-wide academic non-negotiables focused on higher student achievement. They are:

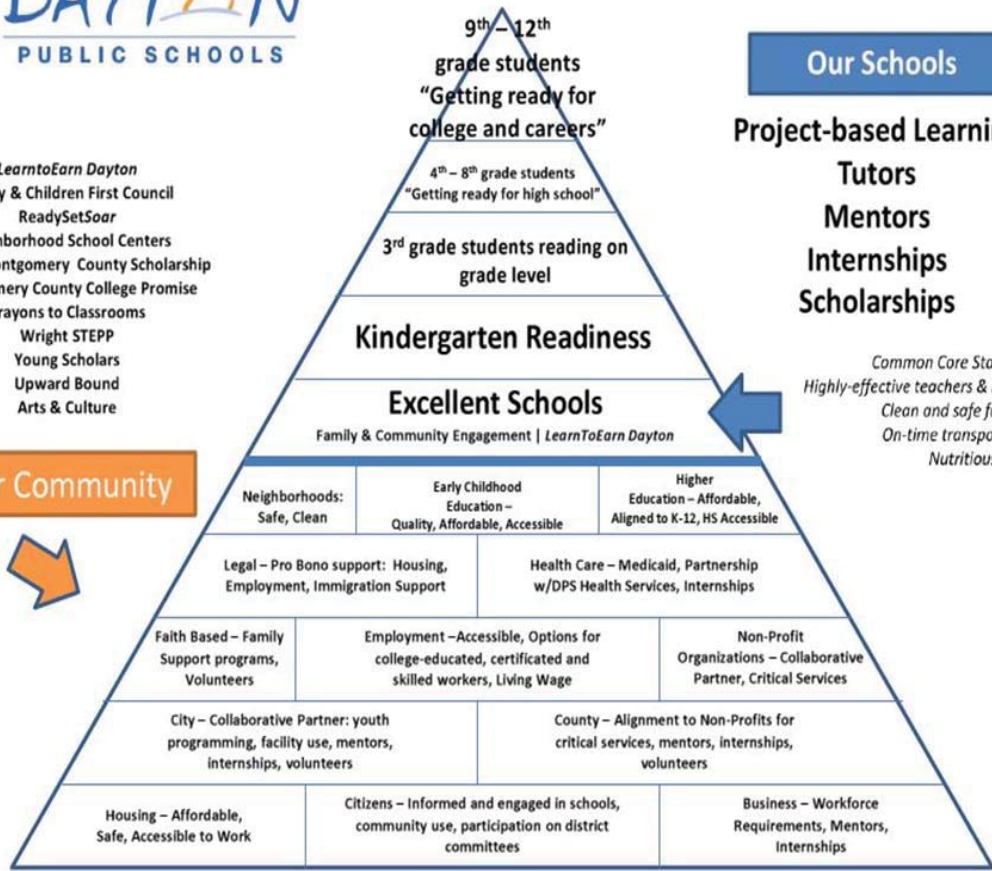
- Enter Kindergarten prepared to learn and grow
- Read on grade level by the end of third grade
- Close the achievement gap focusing on grades 4 through 8
- Graduate college and career ready

In order to remain transparent to the community and provide a graphic illustration of how the School District and the community must work together to improve education, the School District created the REACH (Raising Education Achievement in each Child Higher) model. This model is aligned to the Montgomery County, OH LearnToEarn initiative to increase the number of college-educated citizens by 2025, as depicted below.



LearnToEarn Dayton
 Family & Children First Council
 ReadySetSoar
 Neighborhood School Centers
 Dayton Montgomery County Scholarship
 Montgomery County College Promise
 Crayons to Classrooms
 Wright STEPP
 Young Scholars
 Upward Bound
 Arts & Culture

Our Community



Our Schools

Project-based Learning
Tutors
Mentors
Internships
Scholarships

Common Core Standards
Highly-effective teachers & leaders
Clean and safe facilities
On-time transportation
Nutritious meals

REACH

Raising Education Achievement in each Child Higher

March 2014

The School District’s REACH model focuses on enhancing the ability of the School District’s young people to be college and career ready by their high school graduation. To achieve this goal the School District and the community must focus on a variety of academic and non-academic elements. The elements in combination are essential for ensuring that young people are prepared for college and have the support systems in place for ensuring their success.

The School District’s efforts will be successful only when they are complemented by a community-wide commitment to the goals of REACH. One of the principles of the REACH model is to partner with existing community-based assets that are already committed to improving outcomes for children and families. Community assets currently include many family and child-serving non-profit agencies throughout the county, most of which rely on the funding and leadership of United Way and Montgomery County Supported Services funding, and other private and foundation funding. The School District will work to build community-based support for the REACH model, so that community services, and their funding mechanisms, can support the work being done in the classrooms. The School District appreciates the partnership of Montgomery County Family and Children First

Council and the United Way, and welcomes other government and community-based organizations in strengthening the social foundation that is essential for the School District to achieve its educational goals, and for ensuring the college and career readiness of its student population.

Academic Strategies

The following academic strategies are the creation of targeted academic programs and strategies.

Kindergarten Readiness

- Strategy I: Lead Ready Schools coalitions for every quadrant/school to collaborate with child care and preschool providers to ensure understanding of “kindergarten readiness” definition; share Kindergarten Readiness Assessment – Literacy (KRA-L) scores every fall and set goals with each coalition for improvement.
- Strategy II: Increase access to high quality, affordable, pre-school for all 3 and 4 year olds
- Strategy III: Educate parents on their role to improve readiness (through communication home to younger siblings, active participation in Passport to Kindergarten, parent workshops, invitations to school events sent to the child care providers).
- Strategy IV: Review Bracken School Readiness Assessment scores of students in School District preschools in fall and differentiate instruction to improve readiness by spring. Closely monitor KRA-L scores for School District preschool students to drive improvements in readiness.

3rd Grade Reading Proficiency

- Strategy I. All core teachers, in grades K – 3, will be licensed with a reading endorsement or have Master’s Degree in Reading.
- Strategy II. Implement a balanced literacy program, four block, which focuses on guided reading, self-selected reading, vocabulary and writing.
- Strategy III. 100% of programming offered by arts organizations or non-profits will be aligned with the Ohio Learning Standards—especially reading standards.
- Strategy IV. Leverage partners in education and volunteers to focus on literacy tutoring.

4th-8th Grade Transition to High School

- Strategy I. All language arts and mathematics teachers will maintain a 4 – 9 license.
- Strategy II. Assign mentors to all 6th, 7th and 8th grade students.

Strategy III. Introduce College Board (ACT) online applications known as EXPLORE at the 7th grade and PLAN at the 8th grade as a measure to monitor and analyze potential post-secondary success and options.

Strategy IV. Align all 21st Century grants to support extended day and/or positive school climate opportunities.

Strategy V. Implement a high school and college awareness plan for all schools.

High School to Post-secondary and Career Readiness

Strategy I: Offer dual enrollment courses in every high school effective August 2012.

Strategy II: Create a comprehensive internship program that exposes students to job and career opportunities and helps the students better understand the relevance of the academic work they pursue.

Strategy III: Offer PSAT at for all 10th grade students and SAT and ACT prep courses.

Strategy IV: Provide access to on-line coursework especially in “hard-to-staff” courses such as foreign language, Advanced Placement.

Strategy V: Provide supports for older youth, in transition to adulthood defined by the YPS Outcome Team under FCFC and assistance to parents as well as youth through partners on the financial aid and enrollment process for college and other post-secondary educational program. Coordinate enrollment in college success or similar programming upon acceptance

Creation of targeted non-academic programs and strategies

The second element of the REACH model effort will be targeted “strategy” programs that are structured to influence positively the non-academic barriers through the following family and community supports:

1. Students are Healthy

- a. GetUp Montgomery County
- b. Health Screenings
- c. Immunizations
- d. Access to fresh fruits and vegetables
- e. Access to pediatric care for insured and uninsured children
- f. Access to behavioral health care

2. Students Feel Safe

- a. 21st Century grants focused on academic enrichment and reinforcing positive school climate
- b. Walking school buses

- c. Collaborations with Dayton Police Department and Montgomery County Sheriff Office
 - d. Neighborhood organizing focused on crime prevention through partner agencies and neighborhood groups.
3. Students Live in Stable Communities
 - a. Neighborhood School Centers as a hub of activities for the community
 - b. Wrap around support services for families provided by partner human service partners
 4. Family/Community Support Learning
 - a. School-based parent groups that reinforce the role parents can play in reinforcing learning and promote commitment to post-secondary educational goals for children.
 - b. Nurturing Parenting Programs
 - c. Mentoring Collaborative
 - d. Before and after school as well as summer academic enrichment/tutoring provided by human service agency partners with emphasis on literacy, STEM and project based learning
 - e. Family-based ESL programs provided by human service partners
 5. Students with 21st Century Learning Tools
 - a. Hotspots throughout the city of Dayton provided by partners
 - b. Dual enrollment at higher education institutions

State Performance Standards

According to the Department, the Local Report Card acts as a catalyst for analysis of school improvement and excellence by reporting on the performance of school districts.

Ohio is changing how it evaluates and communicates the academic performance of its schools and school districts. The new report card will be phased in over several years. The grades for measures will be combined into six broad categories, called components, which also will receive a grade. Finally, the component grades will be combined into an overall grade for the school or school district.

The six components that will be on the new report card are:

1. **Achievement:** This component measures absolute academic achievement compared to national standards of success.
2. **Progress:** This component measures the average annual improvement for each student (i.e., whether a student gained more or less a year of knowledge and skills each year).
3. **Gap Closing:** This component measures how well a school or school district is doing in narrowing gaps in reading, math and graduation rate among students according to socioeconomic, racial, ethnic or disability status.

4. **Graduation Rate:** This component measures the percentage of students who entered the 9th grade and graduated in four and five years.
5. **K-3 Literacy:** This component measures the improvement in reading for students in kindergarten through grade three.
6. **Prepared for Success:** This component measures whether students who graduate are prepared for college or a career.

The new report cards began with the 2012-2013 report cards. The report card has nine individual measures that receive grades. There will be no component or overall grades until 2016. This will give schools time to adjust to the new system and focus their efforts on being successful in all areas that are being measured.

An outline of each of the measures and a breakdown of the School District's performance on the State Indicators follows.¹

1. Achievement Component

Measures: Performance Indicators. Based on a series of 24 state tests that measure the level of achievement for each student in a grade and subject.

Performance Index. Schools receive points for every student's level of achievement. The higher the student's level, the more points the school applies towards its index.

The ranges for all achievement measure grades are the same and partially prescribed by law.

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

Source: Ohio Department of Education

The School District's Performance Index was 62.7% for which it received a grade of "D" and met 8.3% of the State Indicators for which it received a grade of "F."

2. Progress Component

Measures: All Students (overall rating of a school district)
 Gifted Students (math, reading or superior cognitive only)
 Students with Disabilities (all students who have an Individualized Education Program and take the Ohio Achievement Assessments)

¹ This discussion of state performance standards is provided for the convenience of the reader and only summarizes the process by which the Department reaches its designation for school districts. For more information about state performance standards, including more detail about the School District's performance, please see the Department's website relating to state and local report card reporting at <http://www.ode.state.oh.us/GD/Templates/Pages/ODE/ODEDetail.aspx?page=279>.

Students in the Lowest 20% of Achievement Statewide (based on distribution of scores for the entire state)

The grade ranges for all measures in the Progress component are the same and partially prescribed by law.

Score	Letter Grade
+2 and higher	A
> or = to +1 but < +2	B
> or = to -1 but < +1	C
> or = to -2 but < -1	D
Less than 2	F

Source: Ohio Department of Education

The School District received an overall grade of “F,” a gifted grade of “F,” a Students with Disabilities grade of “F,” and a Lowest 20% in Achievement grade of “D.”

3. Graduation Rate Component

Measures: Four-Year Graduation Rate
Five-Year Graduation Rate

Ohio recently transitioned to a new method of calculating the graduate rate set by the federal government. The grade ranges for graduation rate measures are the different and partially prescribed by law.

<u>Four-Year Graduation Rate</u>		<u>Five-Year Graduation Rate</u>	
Score	Letter Grade	Score	Letter Grade
93%-100%	A	95%-100%	A
89%-92.9%	B	90%-94.9%	B
84%-88.9%	C	85%-89.9%	C
79%-83.9%	D	80%-84.9%	D
Less than 79%	F	Less than 80%	F

Source: Ohio Department of Education

The School District’s four-year graduation rate was 72.2% and received a grade of “F,” and the five-year graduation rate was 77.9% and received a grade of “F.”

4. Gap Closing Component

Measures: Annual Measurable Objectives (AMO) measure the academic performance of specific groups of students, such as racial and demographic groups.

The ranges for the AMO grades are outlined in Ohio’s Elementary and Secondary Education Act flexibility waiver.

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

The School District AMO was 10.3% and received a grade of “F.”

5. K-3 Literacy Component

Measures: K-3 Literacy Improvement measures how well schools and school districts are helping young students who are reading below grade level.

The K-3 Literacy Component measures whether students that are off-track in reading get on-track in the following grade. Out of our 2,049 students 752 or 36.7% met the K-3 Literacy Component.

6. Prepared for Success Component

Measures: College Admission Test (participation rate and percent receiving non-remediation score)
Dual Enrollment Credits (percent earning at least three credits)
Industry Credentials (percent of students with a credential)
Honors Diplomas Awarded (percent of students with an Honors Diploma)
Advanced Placement (participation rate and percent scoring three or above)
International Baccalaureate Program (participation rate and percent scoring four or above)

The individual measures will not receive a grade. The method for calculating the component grade will be set by the State Board of Education and is expected to be available in 2016. However, the following table represents the School District’s preparedness by measure for the 2013 graduating class.

<u>Prepared for Success</u> *			
Measure	Percentage	Measure	Percentage
ACT: Participation	59.6%	Industry-Recognized Credential	2.4%
ACT: Remediation	6.0	Advanced Placement Participation	14.9
SAT: Participation	14.1	AP: Exam Score of 3 or Better	7.4
SAT: Remediation	2.3	Dual Enrollment Credit	1.8
Honors Diploma	3.5	International Baccalaureate (IB)	2.0
		IB: Exam Score of 4 or Better	.1

Data represents students in the 4-year graduation rate (i.e. students who entered the 9th grade in 2010).

Summary of School District Academics

- While the School District has posted incremental gains in student achievement it is important to note that the School District passed its highest number of state indicators in FY12. In addition, the School District scored in second highest performance index score in the School District’s history, just three-tenths of a point below the School District record.
- The School District has developed plans to recruit, retain, and remunerate high quality staff. Our recruitment efforts range from partnerships with our local universities to Teach for America. In school year 2013, the School District

implemented the new Ohio Teacher Evaluation System (OTES) and the Ohio Principal Evaluation System (OPES). Collectively, these two systems allow the School District to reassign, financially reward, and release staff members as appropriate.

- Many positive initiatives are being infused into the School District's focus for improving academic achievement. A major underlying thrust for these initiatives is the implementation of the common core state standards to be implemented in 2014 - 2015. Ohio is one of forty-two states that have adopted the common core standards.
- The School District's Comprehensive Continuous Improvement Plan provides a format that enables the School District to address significant teaching, learning, and accountability issues. The heart of the plan is composed of "gain targets" that reflect what students are expected to achieve on the 24 State achievement 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 School District since 1993. This process has been aligned with the School District's strategic plan. Student test results are disaggregated and analyzed to identify areas of and strategies for improvement. Results of both School District and school improvement plans, supported by administrative work plans of instructional support staff, are publicly reported.

Information Technology Outsourcing and Systems Integration Agreement

The School District issued a RFP for Managed IT Services in 2012 and awarded a contract to Cincinnati Bell Technology Solutions, Inc. (CBTS) effective July 1, 2013. This award is for a base term of 36 months with two, two-year options.

The scope of service to be delivered to the School District is presented in five broad categories including systems management, systems integration, project management, and network /telecommunications management, with additional IT service and technology solutions. The scope of administrative systems support includes the school district's web-based ERP systems: core financial applications, human resources, student information systems, network systems and internal Infonet. The Wide Area Network (WAN) and Local Area Network (LAN) infrastructure provides connectivity within administrative offices of each facility so that each staff member may access our web-based applications. CBTS integrates over 20 applications supporting the work of the school district.

The business system solutions are web-based, SunGard K-12 PLUS 360, consisting of Financial, Human Resources, Student Information System and IEP. The administrative system consists of human resource, payroll, purchasing, accounts payable, accounts receivable, and fixed assets applications. Functional components of the web-based student information system include student demographics, enrollment, online registration, scheduling, online grade book, achievement history, transcripts, daily and period attendance, and a student/parent portal.

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 School 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.

FINANCIAL POLICIES

Financial policies which had a significant impact of the current period's financial statements include internal controls and budgetary controls as discussed below.

Internal Controls - In developing and revising the School District's accounting and internal control system, management has considered the adequacy of internal controls to provide reasonable, but not absolute, assurance regarding:

- the safeguarding of assets against loss from unauthorized use or disposition; and
- the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

- the cost of a control should not exceed the benefits likely to be derived; and
- the evaluation of costs and benefits requires estimates and judgments by management.

Management believes that the internal controls adequately meet the above objectives.

Budgetary Controls - In addition, the School District maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriations resolution approved by the Board of Education. Activities of all funds are included in the annual appropriations resolution. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is by fund. The School District has chosen to present budgetary information at the function level in the basic financial statements and in the individual fund schedules.

The School District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered appropriation balances are verified 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 fiscal year and are not re-appropriated.

As demonstrated by the statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management.

AWARDS AND ACKNOWLEDGEMENTS

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 twenty-first consecutive year, Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. 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 School District with a Certificate of Excellence in Financial Reporting Award for the preparation and issuance of the fiscal year 2013 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



Craig A. Jones
Treasurer/Chief Financial Officer



Government Finance Officers Association

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, 2013

Executive Director/CEO

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Dayton School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2013*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading "Terrie S. Simmons".

Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in black ink, reading "John D. Musso".

John D. Musso, CAE, RSBA
Executive Director

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

**BOARD MEMBERS-ELECTED OFFICIALS
JUNE 30, 2014**

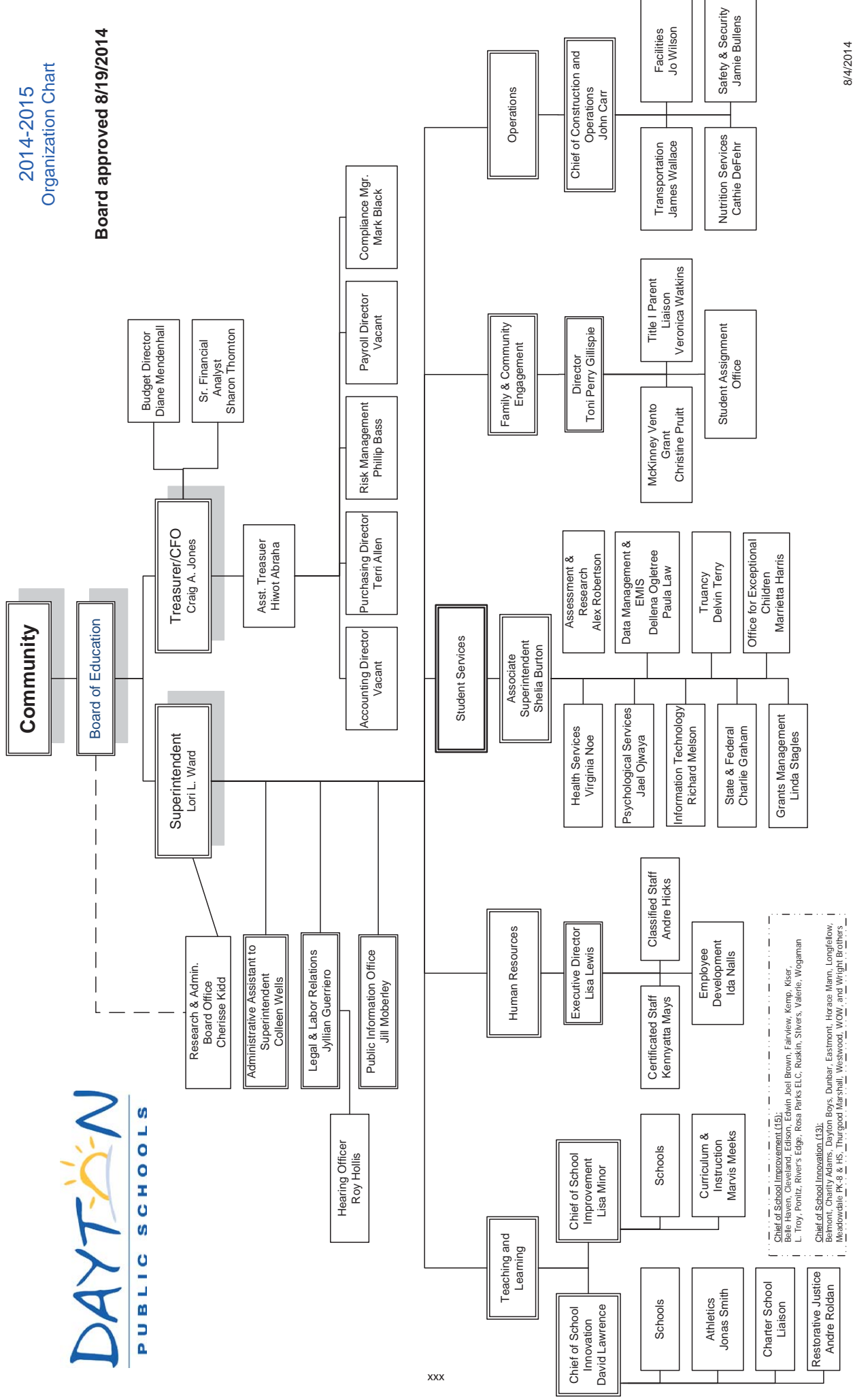
<u>Name</u>	<u>Began Service as a Board Member</u>	<u>Term Expires December 31</u>
Dr. Robert C. Walker, President	2012	2015
Nancy A. Nerny, Vice President	2008	2015
Ronald C. Lee	2007	2017
Joe Lacey	2006	2017
Adil Baguirov	2014	2017
Sheila Taylor	2008	2015
Hazel Rountree	2014	2017

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

**CABINET MEMBERS
JUNE 30, 2014**

Lori L. Ward	Superintendent
Craig A. Jones	Treasurer
Hiwot Abraha	Assistant Treasurer
Shelia Burton	Executive Director, Assessment, Accountability, and Research
John H. Carr, AIA	Chief Construction Officer & Operations Officer
Lisa Monor	Chief of School Improvement
David Lawrence	Chief of School Innovation
Jill Moberley	Public information Officer
Jyllian Guerriero	Legal and Labor Relations Counsel
Toni Perry-Gillispie	Director, Family & Community Engagement
Lisa Lewis	Executive Director, Human Resources
Colleen S. Wells	Administrative Assistant to the Superintendent

Board approved 8/19/2014



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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Dayton City School District
Montgomery County
115 South Ludlow Street
Dayton, Ohio 45402

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Dayton City School District, Montgomery County, Ohio (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

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

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 24, 2014, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

December 24, 2014

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DAYTON CITY SCHOOL DISTRICT
Montgomery County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
Unaudited

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, 2014. 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 2014 are as follows:

Overall:

- Total net position increased \$3.5 million, which represents a one percent increase from fiscal year 2013.
- Total assets of governmental activities decreased by \$2.6 million from those reported at June 30, 2014. The primary factor of the decrease is due to the deduction of \$2.5 million of non-depreciable capital assets in fiscal year 2014.
- General revenues accounted for \$225.9 million or 79.3 percent of total revenue. Program specific revenues in the form of charges for services, sales, and operating grants and contributions account for \$58.8 million or 20.7 percent of total revenues of \$284 million.
- The General Fund reported a negative fund balance of \$3.6 million at June 30, 2014, compared to positive \$4.3 million reported in fiscal year 2013.

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 Position 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 other nonmajor funds presented in total in one column. In the case of Dayton City School District, the General Fund and the Bond Retirement Debt Service Fund are reported as major funds.

DAYTON CITY SCHOOL DISTRICT
Montgomery County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
Unaudited

Reporting the School District as a Whole

Statement of Net Position 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 2014?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources, 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 position and changes in the net position. This change in net position 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 Position 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 funds are 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 and the Bond Retirement Debt Service 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 differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the fund financial statements.

DAYTON CITY SCHOOL DISTRICT
 Montgomery County, Ohio
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2014
 Unaudited

Proprietary Funds

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's only fiduciary funds are a private purpose trust fund and agency funds. The School District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. 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. Agency funds are custodial in nature (assets equal liabilities) and do 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 Position provides the perspective of the School District as a whole. In the case of the Dayton City School District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$369 million at June 30, 2014.

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

TABLE 1
 Net Position (in 000's)

	2014	2013	Change
<i>Assets:</i>			
Current and other Assets	\$226,413	\$215,321	\$11,092
Capital Assets	476,086	489,789	(13,703)
Total Assets	<u>702,499</u>	<u>705,110</u>	<u>(2,611)</u>
<i>Deferred Outflows of Resources:</i>			
Deferred Charge on Refunding	643	686	(43)
Fair Value of Hedging Derivatives	18,613	14,435	4,178
Total Deferred Outflows of Resources	<u>19,256</u>	<u>15,121</u>	<u>4,135</u>
<i>Liabilities:</i>			
Current and Other Liabilities	27,229	22,810	4,419
Long-Term Liabilities	257,668	261,935	(4,267)
Total Liabilities	<u>284,897</u>	<u>284,745</u>	<u>152</u>
<i>Deferred Inflows of Resources:</i>			
Property Taxes	<u>\$67,319</u>	<u>\$69,441</u>	<u>(\$2,122)</u>

(continued)

DAYTON CITY SCHOOL DISTRICT
 Montgomery County, Ohio
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2014
 Unaudited

TABLE 1
 Net Position (in 000's)
 (continued)

	2014	2013	Change
<i>Net Position:</i>			
Net Investment in Capital Assets	\$250,180	\$254,065	(\$3,885)
Restricted	81,075	74,987	6,088
Unrestricted	38,284	36,993	1,291
Total Net Position	\$369,539	\$366,045	\$3,494

Total assets of the School District at June 30, 2014 were \$702.5 million, compared with \$705.1 million reported for the prior fiscal year. Significant changes in asset accounts were primarily due to a decrease in capital assets by \$13.7 million, most of which is associated with the sale of land and current year depreciation exceeding current year additions.

Total liabilities increased \$0.15 million compared with those reported the prior fiscal year. Long-term obligations decreased by \$4.3 million during fiscal year 2014 due to scheduled debt payments being made and the increase in the market value of the swaption agreement.

Total net position reported at June 30, 2014 is \$3.5 million more than the net position reported in the prior fiscal year. The primary reason for the increase is due to revenues exceeding expenses.

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

TABLE 2
 Changes in Net Position (in 000's)

	2014	2013	Change
Revenues			
Program Revenues:			
Charges for Services and Sales	\$4,609	\$3,562	\$1,047
Operating Grants and Contributions	54,267	53,461	806
Total Program Revenues	58,876	57,023	1,853
General Revenues:			
Property Taxes	81,107	72,409	8,698
Grants and Entitlements	142,562	138,351	4,211
Gifts and Donations	0	7	(7)
Investment Earnings	361	(400)	761
Miscellaneous	1,894	916	978
Total General Revenues	225,924	211,283	14,641
Special Item	(775)	0	(775)
Total Revenues	\$284,025	\$268,306	\$15,719

(continued)

DAYTON CITY SCHOOL DISTRICT
Montgomery County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
Unaudited

TABLE 2
Changes in Net Position (in 000's)
(continued)

	<u>2014</u>	<u>2013</u>	<u>Change</u>
Program Expenses			
Instruction	\$165,245	\$95,802	\$69,443
Support Services:			
Pupils and Instructional Staff	20,599	27,593	(6,994)
Board of Education, Administration, Fiscal and Business	22,181	22,455	(274)
Operation and Maintenance of Plant	20,988	19,227	1,761
Pupil Transportation	16,306	17,396	(1,090)
Central	7,476	9,028	(1,552)
Non-Instructional Services	10,340	69,884	(59,544)
Extracurricular Activities	1,985	1,780	205
Interest and Fiscal Charges	6,135	6,046	89
Unallocated Depreciation	9,276	8,420	856
Total Expenses	<u>280,531</u>	<u>277,631</u>	<u>2,900</u>
Change in Net Position	3,494	(9,325)	12,819
Net Position at Beginning of Year - Restated	<u>366,045</u>	<u>375,370</u>	<u>(9,325)</u>
Net Position at End of Year	<u><u>\$369,539</u></u>	<u><u>\$366,045</u></u>	<u><u>\$3,494</u></u>

For fiscal year 2014, total net position increased \$3.5 million or less than one percent, however this increase was \$12.8 million more than the decrease in net position for fiscal year 2013. Total expenses reported for fiscal year 2014 were \$280.5 million or \$2.9 million more than those reported for the prior fiscal year due to the increase in healthcare premiums and the increase in community schools pass through. The \$15.7 million, or 5.9 percent, increase in total revenues from those in the prior fiscal year was mainly due to the increase in property tax collections and an increase in revenue from the State for economic disadvantaged funding.

As noted in Table 2, the School District remains heavily dependent upon general intergovernmental revenues. Approximately 63.1 percent of the School District's general revenues are received from intergovernmental sources, primarily State foundation revenue. Grants and entitlements increased due to economic disadvantaged funding from the State. Property tax revenue increased mainly due to Montgomery County increasing the effective tax rate for the Bond Retirement fund as well as an increase in the amount of delinquent property taxes.

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 2014, as compared to those recorded in fiscal year 2013. Net cost of services provided identifies the cost of these services supported by general revenues, including tax revenue and unrestricted State entitlements.

DAYTON CITY SCHOOL DISTRICT
 Montgomery County, Ohio
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2014
 Unaudited

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

	2014		2013	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$165,245	\$133,494	\$95,802	\$68,510
Support Services:				
Pupils and Instructional Staff	20,599	11,878	27,593	14,439
Board of Education, Administration, Fiscal and Business	22,181	20,684	22,455	21,225
Operation and Maintenance of Plant	20,988	20,519	19,227	18,548
Pupil Transportation	16,306	14,522	17,396	15,404
Central	7,476	7,352	9,028	8,966
Non-Instructional Services	10,340	(3,016)	69,884	57,774
Extracurricular Activities	1,985	811	1,780	1,277
Interest and Fiscal Charges	6,135	6,135	6,046	6,046
Unallocated Depreciation	9,276	9,276	8,420	8,420
Total Expenses	<u>\$280,531</u>	<u>\$221,655</u>	<u>\$277,631</u>	<u>\$220,609</u>

Table 3 shows a \$2.9 million increase in total cost of service for fiscal year 2014 as compared to the prior fiscal year. This increase, along with other changes reflected throughout the instruction and non-instruction, is due to fiscal year 2014 cost realignments and increases in healthcare 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, unassigned 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, 2014 was \$58.3 million, a \$4.0 million decrease compared with the prior fiscal year. \$10.3 million is reported in the Bond Retirement Debt Service Fund to be used to pay debt obligations as they become due.

The General Fund is the operating fund of the School District. At June 30, 2014, the ending fund balance of the General Fund was negative \$3.6 million compared to \$4.3 million in the prior fiscal year. The decrease in fund balance is due to increases in special instruction costs as employee's salaries are moved from grant funds to the General Fund due to the elimination of some grants.

The \$6.1 million increase in the fund balance of the Bond Retirement Debt Service Fund resulted from the School District refunding all three of the 2003 School Construction Bonds.

DAYTON CITY SCHOOL DISTRICT
 Montgomery County, Ohio
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2014
 Unaudited

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 2014, 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.

There were variances between the amounts of the original and final budget for each revenue source. The School District did not anticipate budgeting for several miscellaneous items in the original budget. Actual revenue was more than the final budget mainly from \$1.3 million in miscellaneous revenue received than budgeted.

Capital Assets

At the end of fiscal year 2014, the School District had \$547.6 million invested in land, buildings and improvements, furniture, fixtures and equipment, and vehicles in governmental activities and \$71.5 million of accumulated depreciation, resulting in net capital assets of \$476.1 million.

Table 4 shows fiscal year 2014 balances compared to those of fiscal year 2013:

TABLE 4
 Capital Assets at June 30

	2014	2013
Land	\$9,212,079	\$11,688,101
Buildings and Improvements	501,182,373	501,182,373
Furniture and Equipment	17,848,491	17,479,049
Vehicles	19,389,386	19,389,386
Less: Accumulated Depreciation	(71,545,861)	(59,949,888)
Total Capital Assets	\$476,086,468	\$489,789,021

Overall, net capital assets decreased approximately \$13.7 million from fiscal year 2013. 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 8 to the Basic Financial Statements.

DAYTON CITY SCHOOL DISTRICT
Montgomery County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
Unaudited

Debt Administration

At the end of fiscal year 2014, the School District had \$247.3 million of outstanding long-term debt obligations, of which \$10 million is due within one year. Significant elements of the School District's outstanding long-term debt obligations outstanding at June 30, 2014 include:

- \$110 million in outstanding general obligation refunding school facilities construction and improvement bonds, and related unamortized bond premiums, with \$9.1 million of principal payments and premium amortization made during the fiscal year 2014.
- \$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.
- \$94.6 million of long-term notes. During fiscal year 2014, the School District refunded the 2013 School Construction Tax Refunding Notes with \$93.45 million in refunding notes. The School District made principal payments of \$350,000 during the year.
- \$14.3 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.

Additional information on the School District's long-term obligations can be found in Note 13 to the Basic Financial Statements.

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.

Basic Financial Statements

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$83,113,891
Cash and Cash Equivalents with Fiscal Agent	10,791,605
Receivables:	
Property and Other Taxes	119,904,482
Accounts	801,692
Intergovernmental	11,681,269
Accrued Interest	57,820
Inventory Held for Resale	62,412
Capital Assets:	
Non-Depreciable	9,212,079
Depreciable, Net of Accumulated Depreciation	466,874,389
Total Assets	702,499,639
Deferred Outflows of Resources:	
Deferred Charge on Refunding	643,112
Fair Value of Hedging Derivatives	18,612,870
Total Deferred Outflows of Resources	19,255,982
Liabilities:	
Accounts Payable	2,506,831
Accrued Wages and Benefits Payable	12,752,619
Intergovernmental Payable	8,525,695
Accrued Interest Payable	1,507,903
Accrued Vacation Leave Payable	1,542,382
Matured Compensated Absences Payable	363,701
Notes Payable	5,000
Retainage Payable	25,339
Long Term Liabilities:	
Due Within One Year	14,021,792
Due in More Than One Year	243,645,886
Total Liabilities	284,897,148
Deferred Inflows of Resources:	
Property Taxes	67,319,288
Net Position:	
Net Investment in Capital Assets	250,180,477
Restricted for:	
Debt Service	18,646,011
Capital Projects	36,571,870
Unclaimed Monies	161,798
State and Federal Grants	12,100,376
Food Service Operations	4,090,609
Special Trust	205,707
Classroom Facilities Programs	9,255,583
District Managed Student Activities	43,706
Unrestricted	38,283,048
Total Net Position	\$369,539,185

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services & Sales	Operating Grants, Interest and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$125,173,616	\$1,925,139	\$3,658,090	(\$119,590,387)
Special	36,483,402	0	24,412,844	(12,070,558)
Vocational	3,405,817	0	1,605,093	(1,800,724)
Student Intervention Services	182,150	0	149,619	(32,531)
Support Services:				
Pupils	11,763,457	6,664	2,208,275	(9,548,518)
Instructional Staff	8,835,834	5,207	6,501,527	(2,329,100)
Board of Education	927,658	0	0	(927,658)
Administration	13,636,472	98	1,020,291	(12,616,083)
Fiscal	5,217,631	0	476,603	(4,741,028)
Business	2,399,243	0	0	(2,399,243)
Operation and Maintenance of Plant	20,987,840	468,285	0	(20,519,555)
Pupil Transportation	16,306,093	0	1,783,651	(14,522,442)
Central	7,476,402	0	124,062	(7,352,340)
Operation of Non-Instructional Services	10,339,937	1,028,938	12,327,430	3,016,431
Extracurricular Activities	1,984,798	1,174,278	0	(810,520)
Debt Service:				
Interest and Fiscal Charges	6,134,499	0	0	(6,134,499)
Depreciation - Unallocated	9,276,491	0	0	(9,276,491)
Total Governmental Activities	<u>\$280,531,340</u>	<u>\$4,608,609</u>	<u>\$54,267,485</u>	<u>(221,655,246)</u>

General Revenues:	
Property Taxes Levied For:	
General Purposes	64,113,221
Debt Service	15,677,509
Capital Projects	658,127
Other Purposes	658,127
Grants and Entitlements not Restricted to	
Specific Programs	142,562,668
Investment Earnings	360,954
Miscellaneous	1,894,166
Total General Revenues	<u>225,924,772</u>
Special Item	<u>(775,455)</u>
Total General Revenues and Special Item	225,149,317
Changes in Net Position	3,494,071
Net Position at Beginning of Year	<u>366,045,114</u>
Net Position at End of Year	<u>\$369,539,185</u>

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General Fund	Bond Retirement Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$9,140,657	\$9,447,644	\$43,878,338	\$62,466,639
Cash and Cash Equivalents with Fiscal Agent	0	0	10,766,266	10,766,266
Receivables:				
Property and Other Taxes	94,279,022	23,650,508	1,974,952	119,904,482
Accounts	741,171	0	49,410	790,581
Intergovernmental	12,803	0	11,668,466	11,681,269
Accrued Interest	57,820	0	0	57,820
Due from Other Funds	1,049,224	0	0	1,049,224
Inventory Held for Resale	0	0	62,412	62,412
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	0	25,339	25,339
Total Assets	\$105,280,697	\$33,098,152	\$68,425,183	\$206,804,032
<u>Liabilities:</u>				
Accounts Payable	\$1,021,044	\$0	\$1,436,003	\$2,457,047
Accrued Wages and Benefits Payable	11,648,370	0	1,101,391	12,749,761
Intergovernmental Payable	4,966,474	0	785,127	5,751,601
Due to Other Funds	0	0	1,049,224	1,049,224
Matured Compensated Absences Payable	343,517	0	20,184	363,701
Notes Payable	0	5,000	0	5,000
Retainage Payable from Restricted Assets	0	0	25,339	25,339
Total Liabilities	17,979,405	5,000	4,417,268	22,401,673
<u>Deferred Inflows of Resources:</u>				
Property Taxes	53,288,706	12,944,238	1,086,344	67,319,288
Unavailable Revenue	37,635,275	9,801,316	11,371,945	58,808,536
Total Deferred Inflows of Resources	90,923,981	22,745,554	12,458,289	126,127,824
<u>Fund Balances:</u>				
Nonspendable	161,798	0	0	161,798
Restricted	0	10,347,598	51,610,697	61,958,295
Unassigned (Deficit)	(3,784,487)	0	(61,071)	(3,845,558)
Total Fund Balances (Deficit)	(3,622,689)	10,347,598	51,549,626	58,274,535
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$105,280,697	\$33,098,152	\$68,425,183	\$206,804,032

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2014

Total Governmental Fund Balances:		\$58,274,535
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		476,086,468
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds:		
Delinquent Property Taxes	48,192,417	
State and Federal Grants	10,558,299	
Interest	57,820	
Total	58,808,536	58,808,536
The internal service funds are used by management to charge the costs of insurance and goods warehoused and distributed to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		
Internal Service Net Position	11,737,440	
Capital Assets	(62,715)	
Compensated Absences	10,222	
Accrued Vacation Leave Payable	6,092	
Claims Payable	6,140,588	
Total	17,831,627	17,831,627
In the Statement of Net Position, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due.		(1,507,903)
Vacation benefits payable is not expected to be paid with expendable available financial resources and therefore is not reported in the funds.		(1,542,382)
The fair value of hedging derivative instrument is reported as deferred outflows on the statement of net position.		18,612,870
Deferred Outflows of Resources represent deferred charges on refundings which do not provide current financial resources and therefore are not reported in the funds.		643,112
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Long-Term Notes Payable	(93,795,000)	
General Obligation Bonds	(93,294,989)	
Premium	(15,194,114)	
Certificates of Participation	(14,260,000)	
QZAB Bonds	(10,000,000)	
Cash Flow from Hedging Derivative Instrument	(18,612,870)	
Compensated Absences	(4,266,909)	
Accretion	(2,103,208)	
Claims Payable	(6,140,588)	
Total	(257,667,678)	(257,667,678)
Net Position of Governmental Activities		\$369,539,185

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, 2014

	General Fund	Bond Retirement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$57,660,980	\$14,117,070	\$1,181,590	\$72,959,640
Intergovernmental	158,146,839	3,598,104	34,034,567	195,779,510
Investment Earnings	25,356	(22,537)	428,380	431,199
Tuition and Fees	1,778,015	0	98	1,778,113
Rent	291,030	0	0	291,030
Gifts and Donations	0	0	299,529	299,529
Customer Sales and Services	146,571	0	1,028,938	1,175,509
Extracurricular Activities	828,175	0	535,782	1,363,957
Miscellaneous	1,739,455	20,663	134,048	1,894,166
Total Revenues	220,616,421	17,713,300	37,642,932	275,972,653
Expenditures:				
Current:				
Instruction:				
Regular	120,688,727	0	4,417,657	125,106,384
Special	30,095,522	0	6,245,448	36,340,970
Vocational	2,704,012	0	464,111	3,168,123
Student Intervention Services	42,951	0	139,199	182,150
Support Services:				
Pupils	10,182,463	0	2,287,360	12,469,823
Instructional Staff	2,411,028	0	7,490,086	9,901,114
Board of Education	945,478	0	0	945,478
Administration	11,390,562	0	2,999,949	14,390,511
Fiscal	4,100,660	513,097	496,331	5,110,088
Business	2,352,357	0	0	2,352,357
Operation and Maintenance of Plant	20,050,209	0	1,576,921	21,627,130
Pupil Transportation	14,888,790	0	288,132	15,176,922
Central	6,502,831	0	720,173	7,223,004
Operation of Non-Instructional Services	12,634	0	10,950,371	10,963,005
Extracurricular Activities	1,389,775	0	542,148	1,931,923
Capital Outlay	0	0	369,545	369,545
Debt Service:				
Principal Retirement	475,000	7,435,000	400,000	8,310,000
Interest and Fiscal Charges	564,975	6,290,216	137,011	6,992,202
Current Refunding	0	5,000	0	5,000
Total Expenditures	228,797,974	14,243,313	39,524,442	282,565,729
Excess of Revenues (Over) Expenditures	(8,181,553)	3,469,987	(1,881,510)	(6,593,076)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	1,700,567	0	1,700,567
Refunding Notes Issued	0	93,445,000	0	93,445,000
Premium on Issuance of Refunding Notes	0	884,972	0	884,972
Current Refunding	0	(93,445,000)	0	(93,445,000)
Transfers In	279,315	0	0	279,315
Transfers Out	0	0	(279,315)	(279,315)
Total Other Financing Sources (Uses)	279,315	2,585,539	(279,315)	2,585,539
Net Change in Fund Balance	(7,902,238)	6,055,526	(2,160,825)	(4,007,537)
Fund Balance at Beginning of Year	4,279,549	4,292,072	53,710,451	62,282,072
Fund Balance (Deficit) at End of Year	(\$3,622,689)	\$10,347,598	\$51,549,626	\$58,274,535

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, 2014

Net Change in Fund Balances - Total Governmental Funds (\$4,007,537)

*Amounts reported for governmental activities in the Statement of
Activities are different because*

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

Capital Asset Additions	369,442	
Current Year Depreciation	<u>(11,595,973)</u>	
Total		(11,226,531)

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

Proceeds from Sale of Capital Assets	(1,700,567)	
Loss on Disposal of Capital Assets-Special Item	<u>(775,455)</u>	
Total		(2,476,022)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Delinquent Property Taxes	8,147,344	
State and Federal Grants	735,657	
Interest	<u>(54,788)</u>	
Total		8,828,213

In the Statement of Activities, interest accrued on outstanding bonds, bond accretion, bond premium, and loss on refunding are amortized over the term of the bonds whereas in governmental funds an interest expenditure is reported when due, and premiums are reported when the bonds are issued:

Accrued Interest	(314,521)	
Annual Accretion	(1,216,198)	
Amortization of Premium on Bonds	2,431,778	
Amortization of Deferred Charge on Refunding	<u>(43,356)</u>	
Total		857,703

Repayment of bond, loan, and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

General Obligation Bonds	7,485,000	
Long-Term Notes Principal Payments	93,800,000	
Refunding Certificate of Participation	<u>475,000</u>	
Total		101,760,000

In governmental funds, proceeds from sale of debt is considered a source of financing, but in the Statement of Net Position, the debt obligations are reported as a liability.

General Obligations Notes Refunded	(93,445,000)	
Premium on Refunded Notes	<u>(884,972)</u>	
Total		(94,329,972)

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Compensated Absences Payable	163,977	
Claims Payable	(363,827)	
Vacation Payable	<u>(31,105)</u>	
Total		(230,955)

The internal service fund used by management to charge the costs of insurance to individual funds are not reported in the district-wide Statement of Activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund are allocated among the governmental activities.

Change in Net Position	3,934,168	
Claims Payable	363,827	
Compensated Absences Payable	927	
Vacation Leave Payable	554	
Change in Capital Assets	<u>19,696</u>	
		<u>4,319,172</u>

Change in Net Position of Governmental Activities \$3,494,071

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 AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$53,621,610	\$57,096,537	\$57,096,537	\$0
Intergovernmental	149,357,438	159,036,487	158,188,736	(847,751)
Investment Earnings	237,429	252,816	(67,195)	(320,011)
Tuition and Fees	1,651,914	1,758,966	1,777,824	18,858
Rent	249,811	266,000	290,685	24,685
Gifts and Donations	3,381	3,600	3,600	0
Customer Sales and Services	137,167	146,056	145,182	(874)
Miscellaneous	696,189	748,324	2,067,450	1,319,126
Total Revenues	205,954,939	219,308,786	219,502,819	194,033
Expenditures:				
Current:				
Instruction:				
Regular	106,957,923	120,428,618	120,409,313	19,305
Special	24,151,233	29,930,467	29,923,258	7,209
Vocational	2,398,462	2,809,848	2,790,160	19,688
Student Intervention Services	76,232	75,096	42,951	32,145
Other	975,485	960,947	803,672	157,275
Support Services:				
Pupils	11,783,159	10,299,328	10,251,434	47,894
Instructional Staff	6,449,901	2,608,398	2,558,420	49,978
Board of Education	1,195,873	1,436,865	1,376,376	60,489
Administration	12,068,316	11,237,085	11,178,257	58,828
Fiscal	5,813,419	4,155,889	4,040,482	115,407
Business	2,316,350	2,402,884	2,395,192	7,692
Operation and Maintenance of Plant	18,689,179	19,406,770	19,342,363	64,407
Pupil Transportation	15,524,653	14,777,753	14,761,384	16,369
Central	8,940,050	7,535,758	7,435,897	99,861
Operation of Non-Instructional Services	0	13,000	12,634	366
Extracurricular Activities	1,043,138	1,328,642	1,326,856	1,786
Capital Outlay	1,066,621	10,750	0	10,750
Debt Service:				
Principal Retirement	0	475,000	475,000	0
Interest and Fiscal Charges	0	564,975	564,975	0
Total Expenditures	219,449,994	230,458,073	229,688,624	769,449
Excess of Revenues Under Expenditures	(13,495,055)	(11,149,287)	(10,185,805)	963,482
Other Financing Sources (Uses):				
Transfers In	0	0	279,315	279,315
Advances In	0	4,483,510	4,483,510	0
Advances Out	0	(1,390,074)	(849,234)	540,840
Total Other Financing Sources (Uses)	0	3,093,436	3,913,591	820,155
Net Change in Fund Balance	(13,495,055)	(8,055,851)	(6,272,214)	1,783,637
Fund Balance at Beginning of Year	9,104,718	9,104,718	9,104,718	0
Prior Year Encumbrances Appropriated	2,137,914	2,137,914	2,137,914	0
Fund Balance (Deficit) at End of Year	(\$2,252,423)	\$3,186,781	\$4,970,418	\$1,783,637

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2014

	Internal Service Funds
Assets:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$20,647,252
Accounts Receivable	11,111
Total Current Assets	20,658,363
Non-Current Assets:	
Capital Assets, Net of Accumulated Depreciation	62,715
Total Assets	20,721,078
Liabilities:	
Current Liabilities:	
Accounts Payable	49,784
Accrued Wages and Benefits Payable	2,858
Intergovernmental Payable	2,774,094
Accrued Vacation Leave Payable	6,092
Claims Payable	3,548,404
Compensated Absences Payable	1,246
Total Current Liabilities	6,382,478
Non-Current Liabilities:	
Claims Payable	2,592,184
Compensated Absences Payable	8,976
Total Non-Current Liabilities	2,601,160
Total Liabilities	8,983,638
Net Position:	
Investment in Capital Assets	62,715
Unrestricted	11,674,725
Total Net Position	\$11,737,440

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Internal Service Funds
Operating Revenues:	
Charges for Services	\$38,553,384
Other Revenues	13,254
Total Operating Revenues	38,566,638
Operating Expenses:	
Salaries	73,229
Fringe Benefits	33,066
Purchased Services	5,346,252
Claims	29,153,174
Supplies and Materials	7,053
Depreciation	19,696
Total Operating Expenses	34,632,470
Change in Net Position	3,934,168
Net Position at Beginning of Year	7,803,272
Net Position at End of Year	\$11,737,440

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, 2014

	Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents:	
Cash Flows from Operating Activities:	
Cash Received from Interfund Services Provided	\$38,553,384
Cash Received from Other Operating Revenues	2,143
Cash Payments to Suppliers for Goods	(2,994,331)
Cash Payments to Employees for Services and Benefits	(92,772)
Cash Payments for Claims	(28,789,347)
Net Increase in Cash and Cash Equivalents	6,679,077
Cash and Cash Equivalents Beginning of Year	13,968,175
Cash and Cash Equivalents End of Year	\$20,647,252
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$3,934,168
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	19,696
Increase in Accounts Receivable	(11,111)
Decrease in Accounts Payable	(89,857)
Increase in Accrued Wages and Benefits Payable	1,204
Increase in Intergovernmental Payable	2,459,669
Increase in Accrued Vacation Leave Payable	554
Increase in Claims Payable	363,827
Increase in Compensated Absences Payable	927
Net Cash Provided by Operating Activities	\$6,679,077

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	Private Purpose Trust Fund	Agency Fund
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$13,611	\$353,888
Liabilities:		
Undistributed Monies		\$154,991
Due to Students		198,897
Total Liabilities		\$353,888
Net Position:		
Held in Trust for Scholarships	\$13,611	

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2014

	Private Purpose Trust Fund
Additions:	
Contributions and Donations	\$20,162
Deductions:	
Payments in Accordance with Trust Agreements	23,044
Change in Net Position	(2,882)
Net Position Beginning of Year	16,493
Net Position End of Year	\$13,611

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, 2014

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. The School District provides educational services as authorized by State statute and federal guidelines.

The School District is the tenth largest in the State of Ohio (among 613 school districts) in terms of enrollment. It is staffed by 1,215 certificated employees and 1,053 classified employees who provide services to 13,516 students.

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 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, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The School District has no component units.

The following activities are included within the reporting entity:

Nonpublic Schools - Within the School District boundaries, eight nonpublic schools are operated as private schools. Current State legislation provides funding to these nonpublic schools. These monies are received and disbursed on behalf of the nonpublic schools by the Treasurer of the School District, as directed by the nonpublic schools. This activity is reflected in a nonmajor special revenue fund for financial reporting purposes.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 2 - Summary of Significant Accounting Policies

The financial statements of the 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 more significant of the School District's accounting policies are described below.

Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The government-wide financial statements usually distinguish between those activities that are governmental and those that are considered business-type. However, the School District has no business type activities.

The Statement of Net Position presents the financial condition of the governmental activities of the School District at fiscal year-end. The 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 are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that 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 into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. 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 type.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Fund Accounting

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

Governmental Funds

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

General Fund - The General Fund is the operating fund of the School District and is used to account for and report 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 accounts for and reports property taxes restricted for the payment of general obligation bond principal and interest, specifically the general obligation bonds and notes issued in conjunction with the School District's school facilities projects.

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

Proprietary Funds

The proprietary fund focuses on the determination of operating income, the changes in net position, 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 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, 2014

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has three fiduciary funds: a private purpose trust, used to account for college scholarship programs for students; and two agency funds, one is used to account for student managed activity programs and the other is used to account for Ohio High School Athletic Association monies.

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the School District are included on the Statement of Net Position. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

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, deferred outflows of resources, current liabilities and deferred inflows of resources generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include 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 Fund Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The Statement of Cash Flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

The private purpose trust fund is reported using the flow of economic resources measurement focus.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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 and the financial statements of the fiduciary funds are prepared using the accrual basis of accounting. 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 the modified accrual bases of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

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

Non-exchange 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 6). 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 non-exchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources includes the fair value of the hedging derivative instrument and a deferred charge on refunding resulting from the difference in the carrying value of refunded debt and its reacquisition price, which are reported in the government-wide Statement of Net Position.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2014, but which were levied to finance fiscal year 2015 operations. These amounts have been recorded as deferred inflows on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables that will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental grants and interest. These amounts are deferred and recognized as inflows of resources in the period the amounts become available.

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.

Cash and Cash Equivalents

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

The School District utilizes a fiscal agent to handle money set aside in the Educational Foundation special revenue fund. 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.

During fiscal year 2014, the School District's investments were limited to the Money Market Mutual Funds, Federal Farm Credit Bank Bonds, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes, Federal National Mortgage Notes, Fannie Mae Discount Notes and US Treasury Bonds and Notes. Except for non-participating investment contracts, investments are reported at fair value, which is based on quoted market prices. For investments in open-ended mutual funds, the fair value is determined by the fund's current share price.

The Education Foundation monies are also invested in an outside investment pool: the Dayton Foundation.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of investment earnings. Interest credited to the General Fund during fiscal year 2014 amounted to \$25,356, which includes \$22,902 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions. Restricted assets in the nonmajor governmental funds represent cash and cash equivalents set aside by the School District for escrow accounts established in conjunction with school facilities construction contracts.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “Due to/from Other Funds.” Interfund balances are eliminated on the Statement of Net Position.

Capital Assets

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 in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets of the internal service fund reported in the fund financial statements are combined with the governmental activities column of the government-wide Statement of Net Position.

Capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the fiscal 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 costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

All reported capital assets, except land, 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.

Description	Estimated Lives
Buildings and Improvements (Land Improvements)	50 years
Furniture, Fixtures and Equipment	3 – 10 years
Vehicles	10 years

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 absences liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditures to the extent that payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees will be paid.

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.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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 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 during the current fiscal year. Bonds, certificates of participation, and long-term notes that will be paid from governmental funds are recognized as an expenditure and liability in the governmental fund financial statements when due.

Fund Balances

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

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the Board of Education. In the General Fund, assigned amounts represent intended uses established by the Board of Education or a School District official delegated that authority by resolution or by State statute. State statute authorizes the Treasurer to assign fund balance purchases on order provided such amounts have been lawfully appropriated.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

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. Interfund payments for 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 and are eliminated from the Statement of Activities. 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.

Budgetary Process

All funds, other than agency funds and the Educational Foundation special revenue fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, all of which are prepared on the

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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 amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of budgetary control has been established by the Board of Education at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within 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 Treasurer. 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 appropriations resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years.

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 Premiums

For governmental activities, bond premiums 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.

On the governmental fund financial statements, bond premiums are recognized in the period in which the bonds were issued.

Deferred Charge on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This deferred amount is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the Statement of Net Position.

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Estimates

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

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.

Special Items

Special items are transactions or events that are within the control of the School District and that are either unusual in nature or infrequent in occurrence. The School District sold land for less than the historical value of the asset which caused a loss on disposal of asset.

Note 3 – Accountability

At June 30, 2014, the following funds had a deficit fund balance:

<u>Funds</u>	<u>Amounts</u>
General Fund	\$3,622,689
Special Revenue:	
Race to the Top	14,818
Vocational Education	18,219
Title I School Improvement Stimulus A	23,826
Miscellaneous Federal Grants	4,208

The deficit in all other fund balances were due to accruals in GAAP. The General Fund deficit balance exists because sufficient revenues have not been generated to cover expenditures along with accruals associated with GAAP reporting. The General Fund is liable for any deficit in these funds and will provide transfers when cash is required not when accruals occur.

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Note 4 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of 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 and Actual (Non-GAAP) is presented for the General Fund 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 that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a restricted, committed, or assigned fund balance (GAAP basis).
4. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Investments are recorded at fair value (GAAP basis) rather than cost (budget basis).
6. Budgetary revenues and expenditures of the uniform school supplies, other grant rotary, and public school support are classified to General Fund for GAAP reporting.

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

Net Change in Fund Balance	
GAAP Basis	(\$7,902,238)
Adjustments:	
Revenue Accruals	(859,201)
Expenditure Accruals	2,001,800
Advances	3,634,276
Change in Fair Market Value FY 2013	(96,321)
Change in Fair Market Value FY 2014	3,770
Encumbrances	(3,154,149)
Excess of revenues, and other financing sources under expenditures and other financing uses:	
Uniform School Supplies	138
Other Grant Rotary	11,106
Public School Support	88,605
Budget Basis	(\$6,272,214)

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Note 5 - Deposits and Investments

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio Local Governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) above;

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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.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, \$72,430 of the School District's deposits in Bank of America was exposed to custodial credit risk because it was uninsured and uncollateralized with securities held by the pledging financial institution. Also, the Bank of America is not an authorized public depository in the State of Ohio.

Investments: As of June 30, 2014, the School District had the following investments:

	Fair Value	Due in One Year	Due in 1-3 Years	Due in 4-5 Years	S&P/ Moody's Rating	Concentration of Credit Risk
Dayton Foundation	\$911,667	\$911,667	\$0	\$0	N/A	N/A
Money Market Mutual Funds	17,903,895	17,903,895	0	0	AAAm	22.80%
Federal Farm Credit Bank Bonds	3,090,949	1,107,055	1,983,894	0	Aaa	N/A
Federal Home Loan Bank Notes	13,145,263	6,720,942	6,424,321	0	Aaa	16.74%
Federal Home Loan Mortgage Corporation Notes	9,202,053	2,553,147	3,486,117	3,162,789	Aaa	11.72%
Federal National Mortgage Notes	13,571,714	503,085	4,405,085	8,663,544	Aaa	17.28%
Fannie Mae Discount Notes	1,129,661	1,129,661	0	0	Aaa	N/A
US Treasury Bonds	9,854,800	0	9,854,800	0	N/A	12.55%
US Treasury Notes	9,724,811	1,102,409	7,903,970	718,432	Aaa	12.38%
Total	\$78,534,813	\$31,931,861	\$34,058,187	\$12,544,765		

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.

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Credit Risk

The Standard and Poor's or Moody's rating of the School District's investments is listed in the table above. The School District's policy limits investments to those authorized by State statute, which restricts investments to those that are highly rated or issued by United States Government sponsored enterprises.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the School District's securities are either insured and registered in the name of the School District or at least registered in the name of the School District. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk

The School District's investment policy places no limit on the amount it may invest in any one issuer. The percentage that each investment represents of the total investments is listed in the table above, except for any investment with a percentage of five percent or less.

Note 6 - Property Taxes

Property taxes are levied and assessed on a calendar year basis, while the School District's fiscal year runs from July through June. First half tax 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 and public utility property located in the School District. Real property tax revenue received in calendar year 2014 represents collections of calendar year 2013 taxes. Real property taxes received in calendar year 2014 were levied after April 1, 2013, on the assessed value listed as of January 1, 2013, 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 semi-annually. If paid annually, payment is due December 31; if paid semi-annually, 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 revenue received in calendar year 2014 represents collections of calendar year 2013 taxes. Public utility real and tangible personal property taxes received in calendar year 2014 became a lien December 31, 2012, were levied after April 1, 2013, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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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, 2014 are available to finance fiscal year 2014 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes that are measurable as of June 30, 2014 and for which there is 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 reported 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 inflows of resources – property taxes.

The amount available as an advance at June 30, 2014 was \$4,392,777 and is recognized as revenue: \$3,412,861 in the General Fund, \$904,954 in the Bond Retirement Debt Service Fund, and \$74,962 in the Other Governmental Funds. The amount available as an advance at June 30, 2013 was \$3,666,652 and is recognized as revenue: \$2,848,418 in the General Fund, \$755,914 in the Bond Retirement Debt Service Fund, and \$62,320 in the Other Governmental Funds.

On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis, the revenue has been reported as deferred inflows of resources – unavailable revenue.

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

	<u>2013 Second-Half Collection</u>		<u>2014 First-Half Collection</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$1,459,489,480	94.65%	\$1,466,344,310	94.19%
Public Utility	82,448,800	5.35%	90,396,100	5.81%
Total Assessed Value	<u>\$1,541,938,280</u>	<u>100.00%</u>	<u>\$1,556,740,410</u>	<u>100.00%</u>
Tax Rate per \$1,000	\$79.85		\$79.85	

Note 7 - Receivables

Receivables at June 30, 2014 consisted of property taxes, accounts, intergovernmental grants, accrued interest, and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables, except delinquent property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

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A summary of the principal items of intergovernmental receivables follows:

	Amount
<u>Governmental Activities:</u>	
<i>General Fund:</i>	
Due from Other Governments	\$12,803
<i>Building Fund:</i>	
<i>Nonmajor Governmental Funds</i>	
Alternative Schools State Grant	16,320
Public School Preschool	132,530
Race to the Top	884,761
Title VI-B Grant	1,572,071
Vocational Education	133,424
Title I Grant	5,689,946
Title I School Improvement Stimulus A	184,436
Stimulus School Improvement Subsidy G	1,481,714
Dropout Prevention and Intervention	42,073
Title VI-R Grant	1,493,668
Miscellaneous Grants	37,523
Total Nonmajor Governmental Funds	11,668,466
Total Intergovernmental Receivables	\$11,681,269

Note 8 - Capital Assets

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

	Balance 6/30/2013	Additions	Deductions	Balance 6/30/2014
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$11,688,101	\$0	(\$2,476,022)	\$9,212,079
Capital Assets Being Depreciated:				
Buildings and Improvements	501,182,373	0	0	501,182,373
Furniture, Fixtures, and Equipment	17,479,049	369,442	0	17,848,491
Vehicles	19,389,386	0	0	19,389,386
Total Capital Assets Being Depreciated	\$538,050,808	\$369,442	\$0	\$538,420,250

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	Balance 6/30/2013	Additions	Deductions	Balance 6/30/2014
<u>Governmental Activities:</u>				
Less Accumulated Depreciation:				
Buildings and Improvements	(\$38,721,000)	(\$9,276,491)	\$0	(\$47,997,491)
Furniture, Fixtures, and Equipment	(8,598,172)	(1,135,718)	0	(9,733,890)
Vehicles	(12,630,716)	(1,183,764)	0	(13,814,480)
Total Accumulated Depreciation	(59,949,888)	(11,595,973)*	0	(71,545,861)
Capital Assets Being Depreciated, Net	478,100,920	(11,226,531)	0	466,874,389
Governmental Activities Capital Assets, Net	\$489,789,021	(\$11,226,531)	(\$2,476,022)	\$476,086,468

*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$81,738
Special	171,282
Vocational	235,498
Support Services:	
Pupils	4,495
Instructional Staff	97,442
Administration	12,111
Fiscal	85,158
Business	56,920
Operation and Maintenance of Plant	121,463
Pupil Transportation	1,093,594
Central	248,289
Operation of Non-Instructional Services	65,342
Extracurricular Activities	46,150
	<u>2,319,482</u>
Unallocated Depreciation	9,276,491
Total Depreciation Expense	<u>\$11,595,973</u>

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.

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Note 9 - Risk Management

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. For the fiscal year, the School District contracted with United Educators 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 Westport Insurance Corporation with a \$250,000 deductible.

Electronic data processing equipment is covered Allianz Global Corporate & Specialty Insurance Company with a \$25,000 deductible; Welcome Stadium and scoreboard is covered under Allianz Global Corporate & Specialty Insurance Company with a \$10,000 deductible.

The School District's vehicles are covered under a business policy with United Educators for primary coverage. This policy carries \$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 has been a significant reduction in insurance coverage from last fiscal year. The School District no longer has builders risk insurance due to the completion of school building construction.

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. United Health Care provides claims review and processing services. The health self-insurance program is accounted for in the Internal Service Fund. The School District purchases stop-loss coverage for claims in excess of \$350,000 per employee, per occurrence.

The liability for unpaid claims of \$3,033,000 reported in the Internal Service Fund at June 30, 2014 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.

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

	<u>Beginning of Year</u>	<u>Claims</u>	<u>Payments</u>	<u>End of Year</u>
2013	\$2,880,000	\$27,331,971	\$27,382,971	\$2,829,000
2014	2,829,000	28,289,194	28,085,194	3,033,000

Workers' Compensation

For fiscal year 2014, 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 \$400,000.

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>
2013	\$2,615,982	\$526,321	\$194,542	\$2,947,761
2014	2,947,761	863,980	704,153	3,107,588

Note 10 - Defined Benefit Pension Plans

School Employees Retirement System

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary, and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the

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employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2014, the allocation to pension and death benefits was 13.10 percent. The remaining 0.90 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2014, 2013, and 2012 were \$3,867,121, \$4,317,415 and \$4,354,190, respectively. For fiscal year 2014, 63.44 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012.

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 system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that can 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.

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 multiplied by 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 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are 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 payment or converted to a lifetime monthly annuity at age 50. Benefits are established by Ohio Revised Code Chapter 3307.

A DB or Combined Plan member with five or more years of 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.

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Funding Policy - Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 11 percent for members and 14 percent for employers. The statutory maximum employee contribution rate will be increased one percent each year beginning July 1, 2014, until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2014, plan members were required to contribute 11 percent of their annual covered salary. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School District's required contributions for pension obligations to STRS Ohio for years ended June 30, 2014, 2013, and 2012 were \$9,698,632, \$9,240,079, and \$9,622,262, respectively. For fiscal year 2014, 73.35 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012.

Contributions made to STRS Ohio for the DC Plan for fiscal year 2014 were \$243,230 made by the School District and \$191,109 made by the plan members. In addition, member contributions of \$129,763 were made for fiscal year 2014 for the defined contribution portion of the Combined Plan.

Note 11 - Postemployment Benefits

School Employee Retirement System

Plan Description – The School District participates in two cost-sharing multiple-employer defined benefit other postemployment 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, Medicare Advantage, 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 obligation to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report, which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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 105(e). For fiscal year 2014, 0.14 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 fiscal year 2014, this amount was \$20,250. During fiscal year 2014, the School District paid \$311,759 in surcharge.

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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, 2014, 2013, and 2012 were \$577,439, \$570,319, and \$706,272, respectively. For fiscal year 2014, 63.44 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2014, 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, 2014, 2013, and 2012, were \$224,352, \$246,787, and \$258,154 respectively. For fiscal year 2014, 63.44 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012.

State Teachers Retirement System of Ohio

Plan Description – The School District participates in 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. Ohio law authorizes STRS to offer this plan. 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 can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2014, STRS Ohio allocated employer contributions equal to one percent of covered payroll to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2014, 2013, and 2012 were \$746,049, \$713,547, and \$740,174 respectively. For fiscal year 2014, 73.35 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012. The STRS Board voted to discontinue the current one percent allocation to the healthcare fund effective July 1, 2014.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 12 - Employee Benefits

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 additional sick leave based on length of service:

<u>Length of Service</u>	<u>Pay-days</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.

Insurance

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

Deferred Compensation

School District employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 13 - Long-Term Obligations

The changes in the School District's long-term obligations during fiscal year 2014 were as follows:

	Balance 6/30/2013	Increase	Decrease	Balance 6/30/2014	Due within One Year
General Obligation Bonds:					
2012 Equipment Acquisition:					
2.0-3.0 percent	\$2,495,000	\$0	\$50,000	\$2,445,000	\$50,000
2013 School Construction					
Refunding Bonds Series A					
1.5-5.0 percent					
Serial Bonds	87,910,000	0	7,095,000	80,815,000	0
Capital Appreciation Bonds	6,594,989	0	0	6,594,989	6,594,989
Accretions	887,010	1,216,198	0	2,103,208	2,103,208
2013 School Construction					
Refunding Bonds Series B					
2.0-3.0 percent	3,780,000	0	340,000	3,440,000	315,000
Add: Unamortized Bond Premium	16,016,114	0	1,628,401	14,387,713	0
Total General Obligation Bonds	117,683,113	1,216,198	9,113,401	109,785,910	9,063,197
QZAB Bonds - 0.0 percent	10,000,000	0	0	10,000,000	0
Cash Flow Hedging Derivative					
Instrument	14,434,862	4,178,008	0	18,612,870	0
Refunded Certificates of Participation	14,735,000	0	475,000	14,260,000	540,000
2013 School Construction					
Tax Refunding Notes					
.75 percent	93,450,000	0	93,450,000	0	0
2014 SFC Improvement Tax					
Refunding Notes					
1.25 percent	0	93,445,000	0	93,445,000	0
Add: Unamortized Note Premium	724,806	884,972	803,377	806,401	0
Long-Term Tax Anticipation Notes	700,000	0	350,000	350,000	350,000
Compensated Absences Payable	4,430,886	199,724	363,701	4,266,909	520,191
Claims Payable	5,776,761	28,449,021	28,085,194	6,140,588	3,548,404
Long-Term Obligations	\$261,935,428	\$128,372,923	\$132,640,673	\$257,667,678	\$14,021,792

During fiscal year 2012, the School District issued \$2,495,000 in Equipment Acquisition Bonds for the purchase of equipment for the School District. The bonds were issued for a ten-year period with final date of December 1, 2022 and rates ranging from 2.0 to 3.0 percent.

On March 28, 2013, the School District issued \$3,780,000 in 2013 School Construction Refunding Bonds Series B for the purpose of current refunding \$3,740,000 of outstanding 2003 B School Construction Bonds. The bonds were issued for a 10 year period with final maturity at December 1, 2023. The refunding bonds are not subject to redemption prior to stated maturity.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

On March 28, 2013, the School District issued \$94,504,989 (\$87,910,000 in serial bonds and \$6,594,989 in capital appreciation bonds) in 2013 School Construction Refunding Bonds Series A for the purpose of current refunding \$95,505,000 of outstanding 2003 D School Construction Bonds. The bonds were issued for a 9 year period with final maturity on December 1, 2022. The refunding bonds are not subject to redemption prior to stated maturity.

On October 15, 2013, the School District issued \$93,450,000 in 2014 School Construction Tax Refunding Notes for the purpose of current refunding \$93,455,000 of outstanding 2013 School Construction Tax Refunding Notes. The net proceeds were \$93,450,000 (including an \$884,972 premium and after payment of \$558,622 in underwriting fees and other issuance costs and \$681,806 deposited in a bond redemption fund) with an equity contribution of \$355,456 from the School District. The notes were issued for one year and matured on October 15, 2014. \$5,000 of these notes was repaid on October 15, 2014, and is reported as a fund liability. The remaining balance of \$93,445,000 was expected to be refinanced annually through 2032 and is reported as a long-term liability. These payments are based on the notional amounts in the swap agreement. However, the notes were bonded on October 1, 2014. See note 20 for further details.

In order to hedge the exposure against interest rate fluctuations arising from the annual issuance of these notes, the School District entered into a pay-fixed swap, as explained later in this note. The interest rate for the future annual note issuances and the LIBOR rate for the floating rate payer in accordance with the swap agreement are unknown. The following payments to maturity reflect the pay-downs on the annual note issuances in accordance with the swap agreement. The interest payments reflect the rates in effect at June 30, 2014. Fluctuations in interest rates will impact these amounts.

Fiscal Year	Refunding Notes		
	Principal	Interest	Hedging Derivative, Net
2015	\$5,000	\$1,168,094	\$3,779,951
2016	5,000	1,168,031	3,779,749
2017	5,000	1,167,969	3,779,547
2018	5,000	1,167,907	3,779,345
2019	5,000	1,167,844	3,779,142
2020-2024	8,205,000	5,787,156	18,727,238
2025-2029	49,370,000	3,841,250	12,430,285
2030-2032	35,850,000	686,813	2,222,525
Total	\$93,450,000	\$16,155,064	\$52,277,782

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.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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

Fiscal Year Ended June 30,	Serial Bonds		Capital Appreciation Bonds		Total
	Principal	Interest	Principal	Interest	
2015	\$365,000	\$3,793,219	\$6,594,989	\$2,120,011	\$12,873,219
2016	9,330,000	3,648,897	0	0	12,978,897
2017	9,590,000	3,321,775	0	0	12,911,775
2018	9,960,000	2,896,138	0	0	12,856,138
2019	10,470,000	2,438,838	0	0	12,908,838
2020-2024	46,985,000	4,691,238	0	0	51,676,238
Total	<u>\$86,700,000</u>	<u>\$20,790,105</u>	<u>\$6,594,989</u>	<u>\$2,120,011</u>	<u>\$116,205,105</u>

Interest Rate Swap - On October 13, 2009, the School District entered into two separate swaption agreements with the Bank of New York, Mellon (the Bank) tied to the outstanding 2003 Series A and Series D Bonds. The Bank purchased options to execute the swaptions and create swaps beginning in April 2013. On March 28, 2013, the swaption on the Series D Bonds was terminated. On March 28, 2013, the School District issued bonds in the amount of \$94,504,989. Proceeds of the bonds were used to refund \$94,505,000 of the series 2003 D bonds. On April 15, 2013, the swaption on the Series A Bonds was executed. On April 13, 2013, the School District issued six month notes in the amount of \$93,455,000. The notes matured October 15, 2013 and were reissued for \$93,450,000. The notes are scheduled to be refinanced annually through 2031. Proceeds of the notes were used to refund \$93,455,000 of the series 2003 A bonds.

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 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. These amounts were amortized using the straight-line method over the life of the swaption.

In April 2013, the School District and the Bank executed the interest rate swap agreement on the 2003 Series A Bonds. This cash flow hedging derivative instrument is a pay-fixed swap (swap) reported in the governmental activities. The Bank agreed to pay interest at a variable rate on a notional amount equal to the unpaid principal amount of the notes and the School District agreed to pay interest on the notional amount at a fixed rate of 4.675 percent.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

The objective of the interest rate swap transaction with the Bank is to hedge the exposure of the School District against interest rate fluctuations arising from the annual issuance of Bond Anticipation Notes. Under the swap agreement, the School District is the fixed rate payer, paying 4.675 percent on the 2003 A Refunding Notes. The counterparty, the Bank of New York, Mellon, is the floating rate payer, paying in accordance with the 12 month LIBOR Index.

Both the note rate and the LIBOR Index are reset and payable annually on October 15th. Additionally, the notional amount of the swap is equal to the par amount of the Refunding Notes and both are set to mature on September 1, 2031. The swap was determined to be effective for 2014.

As of June 30, 2014, the swap had a negative fair value of \$18,612,870 estimated 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, 2014. The fair value at June 30, 2014, is reported on the statement of net position as a deferred outflow of resources and a long-term liability. Changes in fair value were reported on the statement of net position as a decrease in deferred outflows of resources and long-term liability due in more than one year.

Termination Risk: The 2003 swap agreement 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.

Interest Rate Risk: The School District is exposed to interest rate risk on its pay-fixed interest rate swap. The interest rate on the School District's annual note refinancing (hedged debt) is unknown. Under the swap agreement, the School District is the fixed rate payer, paying 4.675 percent. The Bank of New York, Mellon, is the floating rate payer, paying in accordance with the 12 month LIBOR Index.

Basis Risk: The School District is exposed to basis risk on its pay-fixed interest rate swap hedging derivative instrument because the variable-rate payments received by the School District on these hedging derivative instruments are based on a rate or index other than the interest rates the School District pays on its hedged debt. At June 30, 2014, the interest rate on the School District's hedged debt was .75 percent, while the 12 month LIBOR rate was .6311 percent.

Certificates of Participation - During fiscal year 2012, the School District issued \$14,735,000 in Refunded Certificates of Participation to refund the 2004 Certificates of Participation. The certificates of participation were issued for a 17-year period with final maturity on December 1, 2028.

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

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2015	\$540,000	\$549,425	\$1,089,425
2016	585,000	532,775	1,117,775
2017	630,000	520,625	1,150,625
2018	675,000	504,200	1,179,200
2019	730,000	481,300	1,211,300
2020-2024	4,575,000	1,940,331	6,515,331
2025-2029	6,525,000	748,419	7,273,419
Total	<u>\$14,260,000</u>	<u>\$5,277,075</u>	<u>\$19,537,075</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 \$9.9 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 Position, as well as the nonmajor governmental funds.

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, 2014 was \$356,405. Principal and interest paid during the fiscal year and total tax revenues for the Permanent Improvement Fund were \$369,215 and \$590,795, respectively.

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2015	\$350,000	\$6,405	\$356,405

Compensated absences will be paid from General Fund, Auxiliary Services Fund, Alternative Schools Fund, Race to the Top Fund, Title VI-B Fund, Vocational Education Fund, Title I School Improvement Subsidy G Fund, Title I Fund, Title VI-R Classroom Size Reduction Fund, Miscellaneous Federal Grants Fund, Food Service Fund, Building Fund, and Retrospective Workers' Comp Fund.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

District exceeded the overall debt margin as permitted by Ohio statute. However, the School District was declared a “special needs” school district, as defined by Section 133.06 of the Ohio Revised Code, by the Superintendent of Public Instruction. Under this special exemption, the School District’s capacity for additional debt is approximately \$28.0 million.

Note 14 – Short Term Obligations

	<u>Balance</u> <u>6/30/2013</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>6/30/2014</u>
2013 School Construction Refunding Notes	\$5,000	\$0	\$5,000	\$0
2014 School Construction Refunding Notes	0	5,000	0	5,000
Total	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,000</u>

On April 15, 2013, the School District issued \$93,455,000 in School Construction Tax Refunding notes. The notes refunded the 2003 school construction series A bonds. The \$93,455,000 liability outstanding at June 30, 2013, was split with \$93,450,000 presented as a long-term liability and \$5,000 presented as a fund liability in the financial statements. The notes were issued at an interest rate of .75 percent and matured on October 15, 2013. The notes are backed by the full faith and credit of the School District. The liability is reflected in the debt service fund. On October 15, 2013, the School District retired \$5,000 of the notes and issued \$93,450,000 in School Construction Tax Refunding notes. The \$93,450,000 liability outstanding at June 30, 2014, was split with \$93,445,000 presented as a long-term liability and \$5,000 presented as a fund liability in the financial statements.

Note 15 - Interfund Activity

As of June 30, 2014, the General Fund had an interfund receivable of \$1,049,224, while the nonmajor governmental funds had interfund payables of \$1,049,224.

General Fund advances are made to move unrestricted balances to support programs and projects accounted for in other funds. Advancing monies to other funds is necessary due to timing differences in the receiving of grant monies. When the monies are finally received, the grant fund will use these restricted monies to reimburse the General Fund for the initial advance. The advance to the debt service fund was made to support the debt service payments associated with refunding.

Transfers were made between the nonmajor governmental funds and the General Fund in the amount of \$279,315 to move the fund balances from discontinued programs to the General Fund. The transfer was approved by the Board of Education.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 16 - 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 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 identifies the change in the fiscal year-end set-aside amount for capital acquisitions. Disclosure of this information is required by State statute.

	Capital Acquisitions
Set Aside Balance as of June 30, 2013	\$0
Current Fiscal Year Set-aside Requirement	2,362,326
Qualifying Disbursements	(107,817)
Current Fiscal Year Revenue Off-Sets	(13,968,030)
Subtotal	(\$11,713,521)
Set Aside Balance as of June 30, 2014	\$0

The School District had offsets and qualifying disbursements during the fiscal year that reduced the capital acquisitions set-aside amount below zero. The extra amount for capital acquisitions may not be used to reduce the set-aside requirement of future fiscal years. The negative amount is therefore not presented as being carried forward to the next fiscal year.

Note 17 – Significant Commitments

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

General Fund	\$3,154,149
Nonmajor Funds	5,925,124
Total	\$9,079,273

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 18 – Fund Balances

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

<u>Fund Balances</u>	<u>General Fund</u>	<u>Bond Retirement Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<i>Nonspendable</i>				
Unclaimed Monies	\$161,798	\$0	\$0	\$161,798
<i>Restricted for</i>				
Debt Service	0	10,347,598	0	10,347,598
Permanent Improvements	0	0	1,842,979	1,842,979
Building Project	0	0	17,998,208	17,998,208
Classroom Facilities Programs	0	0	16,347,765	16,347,765
Food Service Operations	0	0	4,203,215	4,203,215
Special Trust	0	0	205,707	205,707
District Managed Student Activities	0	0	43,706	43,706
Maintenance of Classroom Facilities	0	0	8,848,760	8,848,760
State and Federal Grants	0	0	2,120,357	2,120,357
<i>Total Restricted</i>	<u>0</u>	<u>10,347,598</u>	<u>51,610,697</u>	<u>61,958,295</u>
<i>Unassigned (Deficit)</i>	<u>(3,784,487)</u>	<u>0</u>	<u>(61,071)</u>	<u>(3,845,558)</u>
<i>Total Fund Balances (Deficit)</i>	<u><u>(\$3,622,689)</u></u>	<u><u>\$10,347,598</u></u>	<u><u>\$51,549,626</u></u>	<u><u>\$58,274,535</u></u>

Note 19 - Contingencies

Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2014, if applicable, cannot be determined at this time.

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

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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 20 – Subsequent Event

On October 1, 2014, the School District issued \$90,360,000 School Facilities Construction and Improvement Unlimited Tax School Facilities Construction and Improvement Unlimited Tax Refunding Bonds, Series 2014 at an interest rate of 3.10 percent with a final maturity date of November 1, 2031. The bonds were issued for the purpose of currently refunding the \$93,450,000 School Facilities Construction and Improvement Unlimited Tax Refunding Notes, Series 2013B dated October 15, 2013 and maturing October 15, 2014. In addition, proceeds from the sale of the Bonds were used to terminate the Series 2003A Interest Rate Swap with the Bank of New York Mellon. The termination value of the Hedge Agreement was \$17,846,129.

**Combining Financial Statements and
Individual Fund Schedules**

Dayton City School District
Nonmajor Fund Descriptions

Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed by law and administrative action to expenditures for specified purposes other than debt service or capital projects. The following are descriptions of the School District's nonmajor special revenue funds.

Nonmajor Special Revenue Funds

Other Grants Fund

A fund used to account for and report specific revenue sources, except for State and federal grants, that are legally restricted to expenditures for specified purposes.

Computer Networks Fund

A fund used to account for and report State revenues, which are restricted for the operation of the School District's computer network and operations.

Education Foundation Fund

A fund provided to account for and report 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 School 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 Fund

A fund used to account for and report tax dollars collected from a one-mill property tax levy, which is restricted to provide for the maintenance of classroom facilities.

District Managed Student Activities Fund

A fund used to account for and report local monies restricted to assist student activities, which are managed by School 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 Fund

A fund used to account for and report State grant monies restricted to providing services and materials to pupils attending non-public schools within the School District.

Public School Preschool Fund

A fund used to account for and report restricted State grant monies used to fund the preschool program required by State Law to be provided to three- and four-year old children of income-eligible families.

Entry Year Program Fund

A fund used to account for and report State grants aimed at providing restricted funding to the School District for structured training of entry level teachers. This fund had no activity during fiscal year 2014, therefore there is no budgetary statement presented.

Data Communications Fund

A fund used to account for and report State grant monies restricted for the purpose of accessing the Ohio Education Computer Network.

(continued)

Dayton City School District
Nonmajor Fund Descriptions
(continued)

Vocational Education Enhancement Fund

A fund used to account for and report grant monies restricted for providing 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 Fund

A fund used to account for and report grant monies restricted for providing alternative education programs for existing and new at-risk and delinquent youths.

Miscellaneous State Grants Fund

A fund used to account for and report restricted revenues received from State agencies which are not classified elsewhere.

Race to the Top Fund

A fund used to account for and report federal funds restricted from the development of assessments to measure student achievement against standards designed to ensure that all students gain the knowledge and skills needed to succeed in college and the workplace.

Title VI-B Fund

A fund used to account for and report restricted 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 Fund

A fund used to account for and report restricted 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.

Title I School Improvement Stimulus A Fund

A fund used to account for and report federal funds restricted to providing 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.

Stimulus School Improvement Subsidy G Fund

A fund used to account for and report restricted federal grant monies provided to School District buildings through a competitive process in implementing a school improvement plan that is focused on the specific reasons that caused the building to be identified for school improvement under the No Child Left Behind Act.

Dropout Prevention and Intervention Fund

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

(continued)

Dayton City School District
Nonmajor Fund Descriptions
(continued)

Title I Fund

A fund used to account for and report restricted monies received under a federal grant to assist schools in meeting the special needs of educationally deprived children.

Title VI Fund

A fund used to consolidate various programs into a single authorization of restricted 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. This fund had no activity during fiscal year 2014.

EHA Preschool Grants for the Handicapped Fund

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

Title VI-R Classroom Size Reduction Fund

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

Miscellaneous Federal Grants Fund

A fund used to account for and report restricted federal grant monies received, which are not classified elsewhere.

Special Trust Fund

A fund used to account for and report restricted monies 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 Fund

A fund used to account for and report financial transactions restricted to the School District's food service operations.

Welcome Stadium Fund

A fund used to account for and report the restricted financial transactions associated with the rental and operating costs for the School District owned stadium.

Uniform School Supplies Fund

A fund used to account for and report the purchase and sale of school supplies for use in the School District. This fund is included with the General Fund for GAAP reporting as it does not have restricted or committed revenue source.

Other Grant Rotary Fund

A fund used to account for and report 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. This fund is included with the General Fund for GAAP reporting as it does not have restricted or committed revenue source.

(continued)

Dayton City School District
Nonmajor Fund Descriptions
(continued)

Public School Support Fund

A fund used 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. This fund is included with the General Fund for GAAP reporting as it does not have restricted or committed revenue source.

Capital Projects Funds

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned 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.

Nonmajor Capital Projects Funds

Permanent Improvement Fund

A fund used to account for and report restricted resources, including a local property tax levy, restricted for the acquisition or maintenance of general capital assets.

Building Fund

A fund used to account for and report restricted 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 project.

Classroom Facilities Fund – The Classroom Facilities Fund accounts for and reports restricted 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.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$17,516,175	\$26,362,163	\$43,878,338
Cash and Cash Equivalents with Fiscal Agent	911,666	9,854,600	10,766,266
Receivables:			
Property and Other Taxes	987,476	987,476	1,974,952
Accounts	49,312	98	49,410
Intergovernmental	11,668,466	0	11,668,466
Inventory Held for Resale	62,412	0	62,412
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agents	0	25,339	25,339
Total Assets	\$31,195,507	\$37,229,676	\$68,425,183
<u>Liabilities:</u>			
Accounts Payable	\$1,389,922	\$46,081	\$1,436,003
Accrued Wages and Benefits Payable	1,099,544	1,847	1,101,391
Intergovernmental Payable	767,665	17,462	785,127
Due to Other Funds	1,049,224	0	1,049,224
Matured Compensated Absences Payable	20,184	0	20,184
Retainage Payable from Restricted Assets	0	25,339	25,339
Total Liabilities	4,326,539	90,729	4,417,268
<u>Deferred Inflows of Resources:</u>			
Property Taxes	543,172	543,172	1,086,344
Unavailable Revenue	10,965,122	406,823	11,371,945
Total Deferred Inflows of Resources	11,508,294	949,995	12,458,289
<u>Fund Balances:</u>			
Restricted	15,421,745	36,188,952	51,610,697
Unassigned (Deficit)	(61,071)	0	(61,071)
Total Fund Balances	15,360,674	36,188,952	51,549,626
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$31,195,507	\$37,229,676	\$68,425,183

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, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$590,795	\$590,795	\$1,181,590
Intergovernmental	33,774,376	260,191	34,034,567
Investment Earnings	149,946	278,434	428,380
Tuition and Fees	0	98	98
Gifts and Donations	299,529	0	299,529
Customer Sales and Services	1,028,938	0	1,028,938
Extracurricular Activities	535,782	0	535,782
Miscellaneous	21,755	112,293	134,048
Total Revenues	<u>36,401,121</u>	<u>1,241,811</u>	<u>37,642,932</u>
Expenditures:			
Current:			
Instruction:			
Regular	3,382,739	1,034,918	4,417,657
Special	6,245,448	0	6,245,448
Vocational	464,111	0	464,111
Student Intervention Services	139,199	0	139,199
Support Services:			
Pupils	2,287,360	0	2,287,360
Instructional Staff	7,490,086	0	7,490,086
Administration	908,644	2,091,305	2,999,949
Fiscal	447,228	49,103	496,331
Operation and Maintenance of Plant	1,129,289	447,632	1,576,921
Pupil Transportation	219,882	68,250	288,132
Central	149,142	571,031	720,173
Operation of Non-Instructional Services	10,950,371	0	10,950,371
Extracurricular Activities	501,767	40,381	542,148
Capital Outlay	33,541	336,004	369,545
Debt Service:			
Principal Retirement	0	400,000	400,000
Interest and Fiscal Charges	0	137,011	137,011
Total Expenditures	<u>34,348,807</u>	<u>5,175,635</u>	<u>39,524,442</u>
Excess of Revenues Over (Under) Expenditures	2,052,314	(3,933,824)	(1,881,510)
Other Financing Sources (Uses):			
Transfers Out	<u>(279,315)</u>	<u>0</u>	<u>(279,315)</u>
Net Change in Fund Balance	1,772,999	(3,933,824)	(2,160,825)
Fund Balance at Beginning of Year	<u>13,587,675</u>	<u>40,122,776</u>	<u>53,710,451</u>
Fund Balance at End of Year	<u>\$15,360,674</u>	<u>\$36,188,952</u>	<u>\$51,549,626</u>

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DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

	Other Grants Fund	Education Foundation Fund	Maintenance of Classroom Facilities Fund	District Managed Student Activities Fund
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$245,220	\$0	\$8,840,274	\$45,526
Cash and Cash Equivalents with Fiscal Agent	0	911,666	0	0
<u>Receivables:</u>				
Property and Other Taxes	0	0	987,476	0
Accounts	740	0	0	0
Intergovernmental	0	0	0	0
Inventory Held for Resale	0	0	0	0
Total Assets	\$245,960	\$911,666	\$9,827,750	\$45,526
<u>Liabilities:</u>				
Accounts Payable	\$14,220	\$0	\$28,995	\$1,820
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Due to Other Funds	0	200,000	0	0
Matured Compensated Absences Payable	0	0	0	0
Total Liabilities	14,220	200,000	28,995	1,820
<u>Deferred Inflows of Resources:</u>				
Property Taxes	0	0	543,172	0
Unavailable Revenue	0	0	406,823	0
Total Deferred Inflows of Resources	0	0	949,995	0
<u>Fund Balances:</u>				
Restricted	231,740	711,666	8,848,760	43,706
Unassigned (Deficit)	0	0	0	0
Total Fund Balances (Deficit)	231,740	711,666	8,848,760	43,706
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$245,960	\$911,666	\$9,827,750	\$45,526

Auxiliary Services Fund	Public School Preschool Fund	Entry Year Program Fund	Data Communications Fund	Alternative Schools Fund	Miscellaneous State Grants Fund
\$597,843	\$166,637	\$1,000	\$64,359	\$16,105	\$18,626
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	132,530	0	0	16,320	0
0	0	0	0	0	0
<u>\$597,843</u>	<u>\$299,167</u>	<u>\$1,000</u>	<u>\$64,359</u>	<u>\$32,425</u>	<u>\$18,626</u>
\$197,881	\$34,000	\$0	\$20,267	\$6,300	\$0
56,995	0	0	0	1,712	0
15,252	0	0	0	3,213	0
0	110,000	0	0	2,990	0
153	0	0	0	0	0
<u>270,281</u>	<u>144,000</u>	<u>0</u>	<u>20,267</u>	<u>14,215</u>	<u>0</u>
0	0	0	0	0	0
0	104,230	0	0	16,320	0
0	104,230	0	0	16,320	0
327,562	50,937	1,000	44,092	1,890	18,626
0	0	0	0	0	0
<u>327,562</u>	<u>50,937</u>	<u>1,000</u>	<u>44,092</u>	<u>1,890</u>	<u>18,626</u>
<u>\$597,843</u>	<u>\$299,167</u>	<u>\$1,000</u>	<u>\$64,359</u>	<u>\$32,425</u>	<u>\$18,626</u>

(continued)

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014
 (Continued)

	Race To The Top Fund	Title VI-B Fund	Vocational Education Fund	Title I School Improvement Stimulus A Fund
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$421,487	\$397,355	\$127,163	\$194,215
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
<u>Receivables:</u>				
Property and Other Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	884,761	1,572,071	133,424	184,436
Inventory Held for Resale	0	0	0	0
Total Assets	\$1,306,248	\$1,969,426	\$260,587	\$378,651
<u>Liabilities:</u>				
Accounts Payable	\$99,248	\$89,502	\$75,448	\$143,939
Accrued Wages and Benefits Payable	89,398	45,599	12,179	90,198
Intergovernmental Payable	47,159	135,530	7,931	24,999
Due to Other Funds	200,500	0	84,000	71,500
Matured Compensated Absences Payable	0	0	0	0
Total Liabilities	436,305	270,631	179,558	330,636
<u>Deferred Inflows of Resources:</u>				
Property Taxes	0	0	0	0
Unavailable Revenue	884,761	1,572,071	99,248	71,841
Total Deferred Inflows of Resources	884,761	1,572,071	99,248	71,841
<u>Fund Balances:</u>				
Restricted	0	126,724	0	0
Unassigned (Deficit)	(14,818)	0	(18,219)	(23,826)
Total Fund Balances (Deficit)	(14,818)	126,724	(18,219)	(23,826)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$1,306,248	\$1,969,426	\$260,587	\$378,651

Stimulus School Improvement Subsidy G Fund	Dropout Prevention and Intervention Fund	Title I Fund	EHA Preschool Grants for the Handicapped Fund	Title VI-R Classroom Size Reduction Fund	Miscellaneous Federal Grants Fund
\$320,146	\$15,117	\$1,011,536	\$23,525	\$175,528	\$65,991
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,481,714	42,073	5,689,946	0	1,493,668	37,523
0	0	0	0	0	0
<u>\$1,801,860</u>	<u>\$57,190</u>	<u>\$6,701,482</u>	<u>\$23,525</u>	<u>\$1,669,196</u>	<u>\$103,514</u>
\$173,567	\$3,841	\$438,514	\$0	\$8,220	\$4,681
15,363	11,814	567,023	10,157	91,781	2,233
20,305	9,328	269,908	7,817	49,507	2,415
182,000	0	134,000	0	0	64,234
0	0	15,000	0	5,031	0
<u>391,235</u>	<u>24,983</u>	<u>1,424,445</u>	<u>17,974</u>	<u>154,539</u>	<u>73,563</u>
0	0	0	0	0	0
<u>1,285,538</u>	<u>29,282</u>	<u>4,967,181</u>	<u>0</u>	<u>1,493,668</u>	<u>34,159</u>
<u>1,285,538</u>	<u>29,282</u>	<u>4,967,181</u>	<u>0</u>	<u>1,493,668</u>	<u>34,159</u>
125,087	2,925	309,856	5,551	20,989	0
0	0	0	0	0	(4,208)
<u>125,087</u>	<u>2,925</u>	<u>309,856</u>	<u>5,551</u>	<u>20,989</u>	<u>(4,208)</u>
<u>\$1,801,860</u>	<u>\$57,190</u>	<u>\$6,701,482</u>	<u>\$23,525</u>	<u>\$1,669,196</u>	<u>\$103,514</u>

(continued)

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014
 (Continued)

	Special Trust Fund	Food Service Fund	Welcome Stadium Fund	Total
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$205,707	\$4,393,935	\$168,880	\$17,516,175
Cash and Cash Equivalents with Fiscal Agent	0	0	0	911,666
<u>Receivables:</u>				
Property and Other Taxes	0	0	0	987,476
Accounts	0	48,572	0	49,312
Intergovernmental	0	0	0	11,668,466
Inventory Held for Resale	0	62,412	0	62,412
Total Assets	\$205,707	\$4,504,919	\$168,880	\$31,195,507
<u>Liabilities:</u>				
Accounts Payable	\$0	\$43,888	\$5,591	\$1,389,922
Accrued Wages and Benefits Payable	0	105,030	62	1,099,544
Intergovernmental Payable	0	152,786	21,515	767,665
Due to Other Funds	0	0	0	1,049,224
Matured Compensated Absences Payable	0	0	0	20,184
Total Liabilities	0	301,704	27,168	4,326,539
<u>Deferred Inflows of Resources:</u>				
Property Taxes	0	0	0	543,172
Unavailable Revenue	0	0	0	10,965,122
Total Deferred Inflows of Resources	0	0	0	11,508,294
<u>Fund Balances:</u>				
Restricted	205,707	4,203,215	141,712	15,421,745
Unassigned (Deficit)	0	0	0	(61,071)
Total Fund Balances (Deficit)	205,707	4,203,215	141,712	15,360,674
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$205,707	\$4,504,919	\$168,880	\$31,195,507

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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, 2014

	Other Grants Fund	Computer Networks Fund	Education Foundation Fund	Maintenance of Classroom Facilities Fund
Revenues:				
Taxes	\$0	\$0	\$0	\$590,795
Intergovernmental	0	0	0	554,432
Investment Earnings	0	0	134,489	0
Gifts and Donations	0	0	179,529	0
Customer Sales and Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Miscellaneous	21,694	0	0	61
Total Revenues	21,694	0	314,018	1,145,288
Expenditures:				
Current:				
Instruction:				
Regular	24,181	0	0	0
Special	0	0	0	0
Vocational	0	0	0	0
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	9,188	0	0	0
Instructional Staff	10,091	0	0	0
Administration	0	0	8,913	0
Fiscal	0	0	0	20,219
Operation and Maintenance of Plant	0	0	0	1,070,580
Pupil Transportation	0	0	0	0
Central	8,126	6,509	0	0
Operation of Non-Instructional Services	0	0	134,421	10,013
Extracurricular Activities	41	0	0	0
Capital Outlay	0	0	0	33,541
Total Expenditures	51,627	6,509	143,334	1,134,353
Excess of Revenues Over (Under) Expenditures	(29,933)	(6,509)	170,684	10,935
Other Financing Uses:				
Transfers Out	(279,315)	0	0	0
Net Change in Fund Balance	(309,248)	(6,509)	170,684	10,935
Fund Balance (Deficit) at Beginning of Year	540,988	6,509	540,982	8,837,825
Fund Balance (Deficit) at End of Year	<u>\$231,740</u>	<u>\$0</u>	<u>\$711,666</u>	<u>\$8,848,760</u>

District Managed Student Activities Fund	Auxiliary Services Fund	Public School Preschool Fund	Entry Year Program Fund	Data Communications Fund	Vocational Education Enhancement Fund
\$0	\$0	\$0	\$0	\$0	\$0
0	1,420,167	431,770	0	55,859	7,703
0	15,457	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
157,132	0	0	0	0	0
0	0	0	0	0	0
<u>157,132</u>	<u>1,435,624</u>	<u>431,770</u>	<u>0</u>	<u>55,859</u>	<u>7,703</u>
0	0	0	0	0	0
0	0	399,765	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	6,165	0	0	0
29,980	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	69,267	0
0	1,349,800	0	0	0	0
172,637	0	0	0	0	0
0	0	0	0	0	0
<u>202,617</u>	<u>1,349,800</u>	<u>405,930</u>	<u>0</u>	<u>69,267</u>	<u>5,001</u>
<u>(45,485)</u>	<u>85,824</u>	<u>25,840</u>	<u>0</u>	<u>(13,408)</u>	<u>2,702</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(45,485)	85,824	25,840	0	(13,408)	2,702
<u>89,191</u>	<u>241,738</u>	<u>25,097</u>	<u>1,000</u>	<u>57,500</u>	<u>(2,702)</u>
<u>\$43,706</u>	<u>\$327,562</u>	<u>\$50,937</u>	<u>\$1,000</u>	<u>\$44,092</u>	<u>\$0</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, 2014
 (Continued)

	Alternative Schools Fund	Miscellaneous State Grants Fund	Race to the Top Fund	Title VI-B Fund
Revenues:				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental	181,243	0	2,878,359	3,443,431
Investment Earnings	0	0	0	0
Gifts and Donations	0	0	0	0
Customer Sales and Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Miscellaneous	0	0	0	0
Total Revenues	181,243	0	2,878,359	3,443,431
Expenditures:				
Current:				
Instruction:				
Regular	0	0	188,709	0
Special	0	0	0	1,803,008
Vocational	0	0	0	0
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	86,713	0	657,947	846,277
Instructional Staff	0	0	1,640,018	879,900
Administration	51,207	0	87,480	67,653
Fiscal	0	0	0	65,403
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	144,371
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	137,920	0	2,574,154	3,806,612
Excess of Revenues Over (Under) Expenditures	43,323	0	304,205	(363,181)
Other Financing Uses:				
Transfers Out	0	0	0	0
Net Change in Fund Balance	43,323	0	304,205	(363,181)
Fund Balance (Deficit) at Beginning of Year	(41,433)	18,626	(319,023)	489,905
Fund Balance (Deficit) at End of Year	\$1,890	\$18,626	(\$14,818)	\$126,724

Vocational Education Fund	Title I School Improvement Stimulus A Fund	Stimulus School Improvement Subsidy G Fund	Dropout Prevention and Intervention Fund	Title I Fund	Title VI Fund
\$0	\$0	\$0	\$0	\$0	\$0
558,040	1,542,716	2,872,690	147,916	7,977,081	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>558,040</u>	<u>1,542,716</u>	<u>2,872,690</u>	<u>147,916</u>	<u>7,977,081</u>	<u>0</u>
0	459,301	920,789	0	1,768,066	0
0	60,099	745,505	89,072	2,975,356	0
439,965	24,146	0	0	0	0
0	0	139,199	0	0	0
1,220	0	316,882	22,920	236,451	4
42,484	1,043,813	546,633	21,143	1,429,232	0
35,306	0	1,183	0	630,436	0
0	0	99,308	2,302	194,691	0
0	0	0	0	0	0
0	0	119,982	550	98,300	0
65,240	0	0	0	0	0
0	0	0	10,164	576,002	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>584,215</u>	<u>1,587,359</u>	<u>2,889,481</u>	<u>146,151</u>	<u>7,908,534</u>	<u>4</u>
<u>(26,175)</u>	<u>(44,643)</u>	<u>(16,791)</u>	<u>1,765</u>	<u>68,547</u>	<u>(4)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(26,175)</u>	<u>(44,643)</u>	<u>(16,791)</u>	<u>1,765</u>	<u>68,547</u>	<u>(4)</u>
<u>7,956</u>	<u>20,817</u>	<u>141,878</u>	<u>1,160</u>	<u>241,309</u>	<u>4</u>
<u>(\$18,219)</u>	<u>(\$23,826)</u>	<u>\$125,087</u>	<u>\$2,925</u>	<u>\$309,856</u>	<u>\$0</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, 2014
(Continued)

	EHA Preschool Grants for the Handicapped Fund	Title VI-R Classroom Size Reduction Fund	Miscellaneous Federal Grants Fund	Special Trust Fund
Revenues:				
Taxes	\$0	\$0	\$0	\$0
Intergovernmental	178,852	1,467,234	199,267	0
Investment Earnings	0	0	0	0
Gifts and Donations	0	0	0	120,000
Customer Sales and Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Miscellaneous	0	0	0	0
Total Revenues	178,852	1,467,234	199,267	120,000
Expenditures:				
Current:				
Instruction:				
Regular	0	0	21,693	0
Special	170,407	0	2,236	0
Vocational	0	0	0	0
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	0	0	108,654	1,104
Instructional Staff	0	1,845,800	25,971	0
Administration	0	0	26,466	0
Fiscal	3,160	51,875	4,105	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	1,050	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	2,573	2,134	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	173,567	1,900,248	192,309	1,104
Excess of Revenues Over (Under) Expenditures	5,285	(433,014)	6,958	118,896
Other Financing Uses:				
Transfers Out	0	0	0	0
Net Change in Fund Balance	5,285	(433,014)	6,958	118,896
Fund Balance (Deficit) at Beginning of Year	266	454,003	(11,166)	86,811
Fund Balance (Deficit) at End of Year	<u>\$5,551</u>	<u>\$20,989</u>	<u>(\$4,208)</u>	<u>\$205,707</u>

Food Service Fund	Welcome Stadium Fund	Total
\$0	\$0	\$590,795
9,857,616	0	33,774,376
0	0	149,946
0	0	299,529
1,028,938	0	1,028,938
0	378,650	535,782
0	0	21,755
<u>10,886,554</u>	<u>378,650</u>	<u>36,401,121</u>
0	0	3,382,739
0	0	6,245,448
0	0	464,111
0	0	139,199
0	0	2,287,360
0	0	7,490,086
0	0	908,644
0	0	447,228
0	28,729	1,129,289
0	0	219,882
0	0	149,142
8,720,893	0	10,950,371
0	329,089	501,767
0	0	33,541
<u>8,720,893</u>	<u>357,818</u>	<u>34,348,807</u>
<u>2,165,661</u>	<u>20,832</u>	<u>2,052,314</u>
<u>0</u>	<u>0</u>	<u>(279,315)</u>
2,165,661	20,832	1,772,999
<u>2,037,554</u>	<u>120,880</u>	<u>13,587,675</u>
<u>\$4,203,215</u>	<u>\$141,712</u>	<u>\$15,360,674</u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2014

	Permanent Improvement Fund	Building Fund	Classroom Facilities Fund	Total Nonmajor Capital Projects Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,848,992	\$18,018,167	\$6,495,004	\$26,362,163
Cash and Cash Equivalents with Fiscal Agents	0	0	9,854,600	9,854,600
Receivables:				
Property and Other Taxes	987,476	0	0	987,476
Accounts	0	0	98	98
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agents	0	0	25,339	25,339
Total Assets	\$2,836,468	\$18,018,167	\$16,375,041	\$37,229,676
<u>Liabilities:</u>				
Accounts Payable	\$43,494	\$650	\$1,937	\$46,081
Accrued Wages and Benefits Payable	0	1,847	0	1,847
Intergovernmental Payable	0	17,462	0	17,462
Retainage Payable from Restricted Assets	0	0	25,339	25,339
Total Liabilities	43,494	19,959	27,276	90,729
<u>Deferred Inflows of Resources:</u>				
Property Taxes	543,172	0	0	543,172
Unavailable Revenue	406,823	0	0	406,823
Total Deferred Inflows of Resources	949,995	0	0	949,995
<u>Fund Balances:</u>				
Restricted	1,842,979	17,998,208	16,347,765	36,188,952
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$2,836,468	\$18,018,167	\$16,375,041	\$37,229,676

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, 2014

	Permanent Improvement Fund	Building Fund	Classroom Facilities Fund	Total Nonmajor Capital Projects Funds
Revenues:				
Taxes	\$590,795	\$0	\$0	\$590,795
Intergovernmental	260,191	0	0	260,191
Investment Earnings	0	(70)	278,504	278,434
Tuition and Fees	0	0	98	98
Miscellaneous	61	112,232	0	112,293
Total Revenues	851,047	112,162	278,602	1,241,811
Expenditures:				
Current:				
Instruction:				
Regular	1,028,753	6,165	0	1,034,918
Support Services:				
Administration	0	0	2,091,305	2,091,305
Fiscal	20,238	0	28,865	49,103
Operation and Maintenance of Plant	447,632	0	0	447,632
Pupil Transportation	68,250	0	0	68,250
Central	232,344	338,687	0	571,031
Extracurricular Activities	40,381	0	0	40,381
Capital Outlay	322,061	8,066	5,877	336,004
Debt Service:				
Principal Retirement	400,000	0	0	400,000
Interest and Fiscal Charges	137,011	0	0	137,011
Total Expenditures	2,696,670	352,918	2,126,047	5,175,635
Net Change in Fund Balance	(1,845,623)	(240,756)	(1,847,445)	(3,933,824)
Fund Balance at Beginning of Year	3,688,602	18,238,964	18,195,210	40,122,776
Fund Balance at End of Year	<u>\$1,842,979</u>	<u>\$17,998,208</u>	<u>\$16,347,765</u>	<u>\$36,188,952</u>

Internal Service Funds

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.

Warehouse Fund

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

Retrospective Workers' Comp Fund

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 Fund

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 POSITION
ALL INTERNAL SERVICE FUNDS
JUNE 30, 2014

	Warehouse Fund	Retrospective Workers' Comp Fund	Self- Insurance Fund	Total
Assets:				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$283,814	\$6,261,025	\$14,102,413	\$20,647,252
Accounts Receivable	0	720	10,391	11,111
Total Current Assets	<u>283,814</u>	<u>6,261,745</u>	<u>14,112,804</u>	<u>20,658,363</u>
Noncurrent Assets:				
Capital Assets, Net of Accumulated Depreciation	62,715	0	0	62,715
Total Assets	<u>346,529</u>	<u>6,261,745</u>	<u>14,112,804</u>	<u>20,721,078</u>
Liabilities:				
Current Liabilities:				
Accounts Payable	274	49,510	0	49,784
Accrued Wages and Benefits Payable	0	2,858	0	2,858
Intergovernmental Payable	0	2,774,094	0	2,774,094
Accrued Vacation Leave Payable	0	6,092	0	6,092
Claims Payable	0	515,404	3,033,000	3,548,404
Compensated Absences Payable	0	1,246	0	1,246
Total Current Liabilities	<u>274</u>	<u>3,349,204</u>	<u>3,033,000</u>	<u>6,382,478</u>
Non-Current Liabilities:				
Claims Payable	0	2,592,184	0	2,592,184
Compensated Absences Payable	0	8,976	0	8,976
Total Non-Current Liabilities	<u>0</u>	<u>2,601,160</u>	<u>0</u>	<u>2,601,160</u>
Total Liabilities	<u>274</u>	<u>5,950,364</u>	<u>3,033,000</u>	<u>8,983,638</u>
Net Position:				
Investment in Capital Assets	62,715	0	0	62,715
Unrestricted	283,540	311,381	11,079,804	11,674,725
Total Net Position	<u>\$346,255</u>	<u>\$311,381</u>	<u>\$11,079,804</u>	<u>\$11,737,440</u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 ALL INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Warehouse Fund	Retrospective Workers' Comp Fund	Self- Insurance Fund	Total
Operating Revenues:				
Charges for Services	\$455	\$3,268,790	\$35,284,139	\$38,553,384
Other Revenues	0	2,863	10,391	13,254
Total Operating Revenues	<u>455</u>	<u>3,271,653</u>	<u>35,294,530</u>	<u>38,566,638</u>
Operating Expenses:				
Salaries	0	73,229	0	73,229
Fringe Benefits	0	33,066	0	33,066
Purchased Services	6,972	3,331,282	2,007,998	5,346,252
Claims	0	863,980	28,289,194	29,153,174
Supplies and Materials	7,053	0	0	7,053
Depreciation	19,696	0	0	19,696
Total Operating Expenses	<u>33,721</u>	<u>4,301,557</u>	<u>30,297,192</u>	<u>34,632,470</u>
Change in Net Position	(33,266)	(1,029,904)	4,997,338	3,934,168
Net Position at Beginning of Year	<u>379,521</u>	<u>1,341,285</u>	<u>6,082,466</u>	<u>7,803,272</u>
Net Position at End of Year	<u>\$346,255</u>	<u>\$311,381</u>	<u>\$11,079,804</u>	<u>\$11,737,440</u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Warehouse Fund	Retrospective Workers' Comp Fund	Self-Insurance Fund	Total
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities:				
Cash Received from Interfund Services Provided	\$455	\$3,268,790	\$35,284,139	\$38,553,384
Cash Received from Other Operating Revenues	0	2,143	0	2,143
Cash Payments to Suppliers for Goods	(13,751)	(972,582)	(2,007,998)	(2,994,331)
Cash Payments to Employees for Services and Benefits	0	(92,772)	0	(92,772)
Cash Payments for Claims	0	(704,153)	(28,085,194)	(28,789,347)
Net Increase (Decrease) in Cash and Cash Equivalents	(13,296)	1,501,426	5,190,947	6,679,077
Cash and Cash Equivalents Beginning of Year	297,110	4,759,599	8,911,466	13,968,175
Cash and Cash Equivalents End of Year	\$283,814	\$6,261,025	\$14,102,413	\$20,647,252
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	(\$33,266)	(\$1,029,904)	\$4,997,338	\$3,934,168
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	19,696	0	0	19,696
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	0	(720)	(10,391)	(11,111)
Increase (Decrease) in Accounts Payable	274	(90,131)	0	(89,857)
Increase in Accrued Wages and Benefits Payable	0	1,204	0	1,204
Increase in Accrued Vacation Leave Payable	0	554	0	554
Increase in Intergovernmental Payable	0	2,459,669	0	2,459,669
Increase in Claims Payable	0	159,827	204,000	363,827
Increase in Compensated Absences Payable	0	927	0	927
Net Cash Provided by (Used for) Operating Activities	(\$13,296)	\$1,501,426	\$5,190,947	\$6,679,077

Fiduciary Fund

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.

OHSAA District Managed Activity Fund

To account for and report those assets held by the School District as an agent for Ohio High School Athletic Association.

Student Managed Activities

To account for the resources that belong to the various student groups in the School District. This fund accounts for student activity programs which have student participation in the activity and 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 FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
OHSAA District Managed Activity Fund				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$0	\$211,978	\$56,987	\$154,991
Liabilities:				
Undistributed Monies	\$0	\$211,978	\$56,987	\$154,991
Student-Managed Activities Fund				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$191,532	\$162,935	\$155,570	\$198,897
Liabilities:				
Due to Students	\$191,532	\$162,935	\$155,570	\$198,897
Total				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$191,532	\$374,913	\$212,557	\$353,888
Liabilities:				
Undistributed Monies	\$0	\$211,978	\$56,987	\$154,991
Due to Students	191,532	162,935	155,570	198,897
Total Liabilities	\$191,532	\$374,913	\$212,557	\$353,888

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BOND RETIREMENT FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Taxes	\$13,968,030	\$13,968,030	\$0
Intergovernmental	3,575,413	3,598,104	22,691
Investment Earnings	125	(22,565)	(22,690)
Miscellaneous	20,663	20,663	0
Total Revenues	17,564,231	17,564,232	1
Expenditures:			
Current:			
Support Services:			
Fiscal	513,113	513,097	16
Debt Service:			
Principal Retirement	100,890,000	100,890,000	0
Interest and Fiscal Charges	6,330,341	6,290,216	40,125
Total Expenditures	107,733,454	107,693,313	40,141
Excess of Revenues Under Expenditures	(90,169,223)	(90,129,081)	40,142
Other Financing Sources (Uses):			
Refunding Notes Issued	93,450,000	93,450,000	0
Premium on Issuance of Refunding Notes	884,972	884,972	0
Proceeds From Sale of Capital Assets	1,288,549	1,700,567	412,018
Advances Out	(498,300)	(498,300)	0
Total Other Financing Sources (Uses)	95,125,221	95,537,239	412,018
Net Change in Fund Balance	4,955,998	5,408,158	452,160
Fund Balance at Beginning of Year	4,039,486	4,039,486	0
Fund Balance at End of Year	<u>\$8,995,484</u>	<u>\$9,447,644</u>	<u>\$452,160</u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
OTHER GRANTS FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Miscellaneous	\$37,656	\$21,654	(\$16,002)
Expenditures:			
Current:			
Instruction:			
Regular	71,403	53,079	18,324
Special	3,126	0	3,126
Support Services:			
Pupils	160,909	13,944	146,965
Instructional Staff	36,878	10,315	26,563
Operation and Maintenance of Plant	370	46	324
Pupil Transportation	900	0	900
Central	12,497	8,126	4,371
Total Expenditures	286,083	85,510	200,573
Excess of Revenues Under Expenditures	(248,427)	(63,856)	184,571
Other Financing Uses:			
Transfer Out	(279,315)	(279,315)	0
Net Change in Fund Balance	(527,742)	(343,171)	184,571
Fund Balance at Beginning of Year	543,860	543,860	0
Prior Year Encumbrances Appropriated	5,605	5,605	0
Fund Balance at End of Year	\$21,723	\$206,294	\$184,571

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPUTER NETWORKS FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:	\$0	\$0	\$0
Expenditures:			
Current:			
Support Services:			
Central	6,509	6,509	0
Excess of Revenues Under Expenditures	(6,509)	(6,509)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	6,509	6,509	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MAINTENANCE OF CLASSROOM FACILITIES FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Taxes	\$584,474	\$584,474	\$0
Intergovernmental	554,432	554,432	0
Miscellaneous	61	61	0
Total Revenues	1,138,967	1,138,967	0
Expenditures:			
Current:			
Support Services:			
Fiscal	35,432	20,219	15,213
Operation and Maintenance of Plant	1,972,402	1,399,127	573,275
Operation of Non-Instructional Services	220,733	26,825	193,908
Capital Outlay	37,277	36,617	660
Total Expenditures	2,265,844	1,482,788	783,056
Net Change in Fund Balance	(1,126,877)	(343,821)	783,056
Fund Balance at Beginning of Year	8,720,730	8,720,730	0
Prior Year Encumbrances Appropriated	99,733	99,733	0
Fund Balance at End of Year	\$7,693,586	\$8,476,642	\$783,056

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DISTRICT MANAGED STUDENT ACTIVITIES FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Extracurricular Activities	\$157,136	\$157,132	(\$4)
Expenditures:			
Current:			
Support Services:			
Operation and Maintenance of Plant	29,980	29,980	0
Extracurricular Activities	218,145	183,170	34,975
Total Expenditures	248,125	213,150	34,975
Net Change in Fund Balance	(90,989)	(56,018)	34,971
Fund Balance at Beginning of Year	84,928	84,928	0
Prior Year Encumbrances Appropriated	6,061	6,061	0
Fund Balance at End of Year	\$0	\$34,971	\$34,971

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
AUXILIARY SERVICES FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$1,422,539	\$1,420,167	(\$2,372)
Interest	13,083	15,457	2,374
Total Revenues	1,435,622	1,435,624	2
Expenditures:			
Current:			
Operation of Non-Instructional Services	2,026,920	1,708,333	318,587
Excess of Revenues Under Expenditures	(591,298)	(272,709)	318,589
Other Financing Uses:			
Refund of Prior Year Receipts	(94,724)	(94,724)	0
Net Change in Fund Balance	(686,022)	(367,433)	318,589
Fund Balance at Beginning of Year	143,119	143,119	0
Prior Year Encumbrances Appropriated	578,308	578,308	0
Fund Balance at End of Year	<u>\$35,405</u>	<u>\$353,994</u>	<u>\$318,589</u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PUBLIC SCHOOL PRESCHOOL FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$513,470	\$403,470	(\$110,000)
Expenditures:			
Current:			
Instruction:			
Special	532,265	532,265	0
Support Services:			
Fiscal	6,165	6,165	0
Total Expenditures	538,430	538,430	0
Excess of Revenues Under Expenditures	(24,960)	(134,960)	(110,000)
Other Financing Sources:			
Advances In	0	110,000	110,000
Net Change in Fund Balance	(24,960)	(24,960)	0
Fund Balance at Beginning of Year	25,101	25,101	0
Fund Balance at End of Year	\$141	\$141	\$0

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DATA COMMUNICATIONS FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$57,006	\$57,006	\$0
Expenditures:			
Current:			
Support Services:			
Central	113,360	113,305	55
Net Change in Fund Balance	(56,354)	(56,299)	55
Fund Balance at Beginning of Year	7,354	7,354	0
Prior Year Encumbrances Appropriated	49,000	49,000	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$55</u>	<u>\$55</u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
VOCATIONAL EDUCATION ENHANCEMENT FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$7,703	\$7,703	\$0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	5,001	5,001	0
Excess of Revenues Over Expenditures	2,702	2,702	0
Other Financing Uses:			
Advances Out	(3,710)	(3,710)	0
Net Change in Fund Balance	(1,008)	(1,008)	0
Fund Balance at Beginning of Year	1,008	1,008	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ALTERNATIVE SCHOOLS FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$184,243	\$181,243	(\$3,000)
Expenditures:			
Current:			
Support Services:			
Pupils	119,113	119,113	0
Administration	50,699	50,699	0
Total Expenditures	169,812	169,812	0
Excess of Revenues Over Expenditures	14,431	11,431	(3,000)
Other Financing Sources (Uses):			
Advances In	0	3,000	3,000
Advances Out	(60,000)	(60,000)	0
Total Other Financing Sources (Uses)	(60,000)	(57,000)	3,000
Net Change in Fund Balance	(45,569)	(45,569)	0
Fund Balance at Beginning of Year	12,461	12,461	0
Prior Year Encumbrances Appropriated	33,913	33,913	0
Fund Balance at End of Year	\$805	\$805	\$0

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 MISCELLANEOUS STATE GRANTS FUND - BUDGET AND ACTUAL (NON-GAAP)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:	\$0	\$0	\$0
Expenditures:			
Current:			
Instruction:			
Regular	424	0	424
Net Change in Fund Balance	(424)	0	424
Fund Balance at Beginning of Year	18,626	18,626	0
Fund Balance at End of Year	\$18,202	\$18,626	\$424

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
RACE TO THE TOP FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$3,078,859	\$2,878,359	(\$200,500)
Expenditures:			
Current:			
Instruction:			
Regular	471,942	471,942	0
Support Services:			
Pupils	703,386	703,386	0
Instructional Staff	1,710,389	1,710,389	0
Administration	91,720	91,720	0
Total Expenditures	2,977,437	2,977,437	0
Excess of Revenues Over (Under) Expenditures	101,422	(99,078)	(200,500)
Other Financing Sources (Uses):			
Advances In	0	200,500	200,500
Advances Out	(605,000)	(605,000)	0
Total Other Financing Sources (Uses)	(605,000)	(404,500)	0
Net Change in Fund Balance	(503,578)	(503,578)	0
Fund Balance at Beginning of Year	214,911	214,911	0
Prior Year Encumbrances Appropriated	288,785	288,785	0
Fund Balance at End of Year	\$118	\$118	\$0

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE VI-B FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$3,765,431	\$3,765,431	\$0
Expenditures:			
Current:			
Instruction:			
Special	1,744,917	1,744,917	0
Support Services:			
Pupils	1,111,564	1,111,564	0
Instructional Staff	918,259	916,916	1,343
Administration	64,533	64,533	0
Fiscal	65,407	65,403	4
Operation of Non-Instructional Services	164,404	161,682	2,722
Total Expenditures	4,069,084	4,065,015	4,069
Excess of Revenues Under Expenditures	(303,653)	(299,584)	4,069
Other Financing Uses:			
Advances Out	(500,000)	(500,000)	0
Net Change in Fund Balance	(803,653)	(799,584)	4,069
Fund Balance at Beginning of Year	814,914	814,914	0
Prior Year Encumbrances Appropriated	30,945	30,945	0
Fund Balance at End of Year	\$42,206	\$46,275	\$4,069

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
VOCATIONAL EDUCATION FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$607,970	\$523,970	(\$84,000)
Expenditures:			
Current:			
Instruction:			
Vocational	487,722	487,722	0
Support Services:			
Instructional Staff	41,611	41,611	0
Administration	34,985	34,985	0
Central	69,821	69,821	0
Total Expenditures	634,139	634,139	0
Excess of Revenues Under Expenditures	(26,169)	(110,169)	(84,000)
Other Financing Sources (Uses):			
Advances In	0	84,000	84,000
Advances Out	(65,000)	(65,000)	0
Total Other Financing Sources (Uses)	(65,000)	19,000	84,000
Net Change in Fund Balance	(91,169)	(91,169)	0
Fund Balance at Beginning of Year	73,023	73,023	0
Prior Year Encumbrances Appropriated	18,764	18,764	0
Fund Balance at End of Year	\$618	\$618	\$0

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE I SCHOOL IMPROVEMENT STIMULUS A FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$1,501,621	\$1,430,121	(\$71,500)
Expenditures:			
Current:			
Instruction:			
Special	65,913	65,913	0
Other	417,084	417,084	0
Support Services:			
Instructional Staff	1,042,191	1,042,191	0
Total Expenditures	1,525,188	1,525,188	0
Excess of Revenues Under Expenditures	(23,567)	(95,067)	(71,500)
Other Financing Sources:			
Advances In	0	71,500	71,500
Net Change in Fund Balance	(23,567)	(23,567)	0
Fund Balance at Beginning of Year	23,829	23,829	0
Fund Balance at End of Year	\$262	\$262	\$0

**DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
STIMULUS SCHOOL IMPROVEMENT SUBSIDY G FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	<u>\$3,064,640</u>	<u>\$2,882,640</u>	<u>(\$182,000)</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,186,885	1,186,885	0
Special	769,431	769,431	0
Student Intervention Services	139,199	139,199	0
Support Services:			
Pupils	313,179	313,179	0
Instructional Staff	700,163	700,163	0
Administration	1,759	1,759	0
Fiscal	99,308	99,308	0
Pupil Transportation	<u>129,882</u>	<u>129,882</u>	<u>0</u>
Total Expenditures	<u>3,339,806</u>	<u>3,339,806</u>	<u>0</u>
Excess of Revenues Under Expenditures	<u>(275,166)</u>	<u>(457,166)</u>	<u>(182,000)</u>
Other Financing Sources (Uses):			
Advances In	0	182,000	182,000
Advances Out	<u>(800,000)</u>	<u>(800,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(800,000)</u>	<u>(618,000)</u>	<u>182,000</u>
Net Change in Fund Balance	(1,075,166)	(1,075,166)	0
Fund Balance at Beginning of Year	796,486	796,486	0
Prior Year Encumbrances Appropriated	<u>278,840</u>	<u>278,840</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$160</u></u>	<u><u>\$160</u></u>	<u><u>\$0</u></u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DROPOUT PREVENTION AND INTERVENTION FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$135,125	\$135,125	\$0
Expenditures:			
Current:			
Instruction:			
Special	82,984	82,984	0
Support Services:			
Pupils	13,440	13,440	0
Instructional Staff	21,520	21,520	0
Fiscal	2,302	2,302	0
Pupil Transportation	550	550	0
Operation of Non-Instructional Services	17,234	17,234	0
Total Expenditures	138,030	138,030	0
Excess of Revenues Under Expenditures	(2,905)	(2,905)	0
Other Financing Uses:			
Advances Out	(40,000)	(40,000)	0
Net Change in Fund Balance	(42,905)	(42,905)	0
Fund Balance at Beginning of Year	43,144	43,144	0
Prior Year Encumbrances Appropriated	5,836	5,836	0
Fund Balance at End of Year	\$6,075	\$6,075	\$0

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE I FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$8,158,317	\$8,024,316	(\$134,001)
Expenditures:			
Current:			
Instruction:			
Special	3,678,583	3,678,373	210
Other Instruction	1,733,930	1,733,930	0
Support Services:			
Pupils	236,374	236,194	180
Instructional Staff	1,718,420	1,718,420	0
Administration	609,688	609,688	0
Fiscal	194,744	194,691	53
Pupil Transportation	103,075	103,075	0
Operation of Non-Instructional Services	759,725	758,969	756
Total Expenditures	9,034,539	9,033,340	1,199
Excess of Revenues Under Expenditures	(876,222)	(1,009,024)	(132,802)
Other Financing Sources (Uses):			
Advances In	0	134,000	134,000
Advances Out	(1,180,000)	(1,180,000)	0
Total Other Financing Sources (Uses)	(1,180,000)	(1,046,000)	134,000
Net Change in Fund Balance	(2,056,222)	(2,055,024)	1,198
Fund Balance at Beginning of Year	1,457,917	1,457,917	0
Prior Year Encumbrances Appropriated	600,626	600,626	0
Fund Balance at End of Year	\$2,321	\$3,519	\$1,198

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
EHA PRESCHOOL GRANTS FOR THE HANDICAPPED FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$178,852	\$178,852	\$0
Expenditures:			
Current:			
Instruction:			
Special	179,184	158,020	21,164
Support Services:			
Fiscal	5,521	3,160	2,361
Total Expenditures	184,705	161,180	23,525
Excess of Revenues Over (Under) Expenditures	(5,853)	17,672	23,525
Other Financing Uses:			
Advances Out	(17,500)	(17,500)	0
Net Change in Fund Balance	(23,353)	172	23,525
Fund Balance at Beginning of Year	21,455	21,455	0
Prior Year Encumbrances Appropriated	1,898	1,898	0
Fund Balance at End of Year	\$0	\$23,525	\$23,525

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE VI-R CLASSROOM SIZE REDUCTION FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$1,961,321	\$1,961,321	\$0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	2,111,126	2,033,155	77,971
Fiscal	51,875	51,875	0
Total Expenditures	2,163,001	2,085,030	77,971
Excess of Revenues Under Expenditures	(201,680)	(123,709)	77,971
Other Financing Uses:			
Advances Out	(670,000)	(670,000)	0
Net Change in Fund Balance	(871,680)	(793,709)	77,971
Fund Balance at Beginning of Year	875,457	875,457	0
Prior Year Encumbrances Appropriated	77,637	77,637	0
Fund Balance at End of Year	\$81,414	\$159,385	\$77,971

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MISCELLANEOUS FEDERAL GRANTS FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$195,903	\$195,903	\$0
Expenditures:			
Current:			
Instruction:			
Regular	21,693	21,693	0
Special	2,372	2,372	0
Support Services:			
Pupils	163,477	154,664	8,813
Instructional Staff	29,462	29,462	0
Administration	24,674	24,674	0
Fiscal	6,190	4,105	2,085
Pupil Transportation	1,050	1,050	0
Operation of Non-Instructional Services	2,134	2,134	0
Total Expenditures	251,052	240,154	10,898
Excess of Revenues Under Expenditures	(55,149)	(44,251)	10,898
Other Financing Sources (Uses):			
Advances In	64,234	64,234	0
Advances Out	(44,000)	(44,000)	0
Refund of Prior Year Receipts	(7,103)	(7,103)	0
Total Other Financing Sources (Uses)	13,131	13,131	0
Net Change in Fund Balance	(42,018)	(31,120)	10,898
Fund Balance at Beginning of Year	20,537	20,537	0
Prior Year Encumbrances Appropriated	34,870	34,870	0
Fund Balance at End of Year	\$13,389	\$24,287	\$10,898

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL TRUST FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Gifts and Donations	\$120,000	\$120,000	\$0
Expenditures:			
Current:			
Support Services:			
Pupils	199,071	1,231	197,840
Instructional Staff	7,740	0	7,740
Total Expenditures	206,811	1,231	205,580
Net Change in Fund Balance	(86,811)	118,769	205,580
Fund Balance at Beginning of Year	86,811	86,811	0
Fund Balance at End of Year	\$0	\$205,580	\$205,580

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOOD SERVICE FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$9,932,349	\$9,932,349	\$0
Customer Sales and Services	1,052,395	1,052,395	0
Total Revenues	10,984,744	10,984,744	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	10,424,351	9,150,877	1,273,474
Net Change in Fund Balance	560,393	1,833,867	1,273,474
Fund Balance at Beginning of Year	2,088,119	2,088,119	0
Prior Year Encumbrances Appropriated	4,900	4,900	0
Fund Balance at End of Year	<u>\$2,653,412</u>	<u>\$3,926,886</u>	<u>\$1,273,474</u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
WELCOME STADIUM FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Extracurricular Activities	\$380,013	\$380,013	\$0
Expenditures:			
Current:			
Support Services:			
Operation and Maintenance of Plant	28,803	28,722	81
Extracurricular Activities	473,567	399,579	73,988
Total Expenditures	502,370	428,301	74,069
Net Change in Fund Balance	(122,357)	(48,288)	74,069
Fund Balance at Beginning of Year	101,892	101,892	0
Prior Year Encumbrances Appropriated	25,591	25,591	0
Fund Balance at End of Year	\$5,126	\$79,195	\$74,069

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
UNIFORM SCHOOL SUPPLIES FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Tuition and Fees	\$1,860	\$1,860	\$0
Extracurricular Activities	299	299	0
Total Revenues	2,159	2,159	0
Expenditures:			
Current:			
Instruction:			
Regular	34,224	2,297	31,927
Net Change in Fund Balance	(32,065)	(138)	31,927
Fund Balance at Beginning of Year	32,065	32,065	0
Fund Balance at End of Year	\$0	\$31,927	\$31,927

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, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Extracurricular Activities	\$10,068	\$10,068	\$0
Expenditures:			
Current:			
Instruction:			
Regular	35,912	21,703	14,209
Net Change in Fund Balance	(25,844)	(11,635)	14,209
Fund Balance at Beginning of Year	100,342	100,342	0
Fund Balance at End of Year	\$74,498	\$88,707	\$14,209

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PUBLIC SCHOOL SUPPORT FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Extracurricular Activities	\$149,632	\$149,632	\$0
Miscellaneous	676	676	0
Total Revenues	<u>150,308</u>	<u>150,308</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	763,100	350,490	412,610
Support Services:			
Pupils	10,660	10,660	0
Instructional Staff	22,182	10,344	11,838
Operation and Maintenance of Plant	644	494	150
Total Expenditures	<u>796,586</u>	<u>371,988</u>	<u>424,598</u>
Excess of Revenues Under Expenditures	(646,278)	(221,680)	424,598
Other Financing Uses:			
Other Financing Uses	(80,932)	0	80,932
Net Change in Fund Balance	(727,210)	(221,680)	505,530
Fund Balance at Beginning of Year	958,040	958,040	0
Prior Year Encumbrances Appropriated	<u>5,805</u>	<u>5,805</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$236,635</u></u>	<u><u>\$742,165</u></u>	<u><u>\$505,530</u></u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PERMANENT IMPROVEMENT FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Taxes	\$584,474	\$584,474	\$0
Intergovernmental	260,191	260,191	0
Miscellaneous	61	61	0
Total Revenues	844,726	844,726	0
Expenditures:			
Current:			
Instruction:			
Regular	1,148,241	1,148,241	0
Support Services:			
Fiscal	31,856	20,238	11,618
Operation and Maintenance of Plant	662,807	544,141	118,666
Pupil Transportation	68,450	68,250	200
Central	415,451	307,496	107,955
Extracurricular Activities	203,680	203,680	0
Capital Outlay	461,902	331,049	130,853
Debt Service:			
Principal Retirement	400,000	400,000	0
Interest and Fiscal Charges	137,011	137,011	0
Total Expenditures	3,529,398	3,160,106	369,292
Net Change in Fund Balance	(2,684,672)	(2,315,380)	369,292
Fund Balance at Beginning of Year	3,282,308	3,282,308	0
Prior Year Encumbrances Appropriated	459,303	459,303	0
Fund Balance at End of Year	\$1,056,939	\$1,426,231	\$369,292

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUILDING FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Investment Earnings	\$0	(\$171)	(\$171)
Miscellaneous	275,790	275,960	170
Total Revenues	<u>275,790</u>	<u>275,789</u>	<u>(1)</u>
Expenditures:			
Current:			
Instruction:			
Regular	861,318	123,510	737,808
Vocational	15,271	0	15,271
Support Services:			
Instructional Staff	167,442	0	167,442
Fiscal	2,314	0	2,314
Business	23,100	0	23,100
Operation and Maintenance of Plant	537	0	537
Central	732,005	338,687	393,318
Capital Outlay	1,728,984	106,631	1,622,353
Total Expenditures	<u>3,530,971</u>	<u>568,828</u>	<u>2,962,143</u>
Other Financing Sources:			
Refund of Prior Year Expenditures	2,300	2,300	0
Net Change in Fund Balance	(3,252,881)	(290,739)	2,962,142
Fund Balance at Beginning of Year	16,779,441	16,779,441	0
Prior Year Encumbrances Appropriated	<u>1,364,901</u>	<u>1,364,901</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$14,891,461</u></u>	<u><u>\$17,853,603</u></u>	<u><u>\$2,962,142</u></u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CLASSROOM FACILITIES FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Interest	\$39,858	\$39,858	\$0
Expenditures:			
Current:			
Support Services:			
Administration	2,091,305	2,091,305	0
Fiscal	53,727	28,865	24,862
Capital Outlay	5,970,144	1,440,320	4,529,824
Total Expenditures	8,115,176	3,560,490	4,554,686
Net Change in Fund Balance	(8,075,318)	(3,520,632)	4,554,686
Fund Balance at Beginning of Year	4,503,603	4,503,603	0
Prior Year Encumbrances Appropriated	4,131,526	4,131,526	0
Fund Balance at End of Year	\$559,811	\$5,114,497	\$4,554,686

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
WAREHOUSE FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Sales	\$455	\$455	\$0
Expenses:			
Purchased Services	8,703	6,984	1,719
Supplies and Materials	283,113	10,859	272,254
Total Expenses	291,816	17,843	273,973
Net Change in Fund Equity	(291,361)	(17,388)	273,973
Fund Equity at Beginning of Year	277,685	277,685	0
Prior Year Encumbrances Appropriated	19,425	19,425	0
Fund Equity at End of Year	\$5,749	\$279,722	\$273,973

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
RETROSPECTIVE WORKERS' COMP FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Charges for Services	\$3,268,790	\$3,268,790	\$0
Expenses:			
Salaries	74,000	70,544	3,456
Fringe Benefits	23,190	22,228	962
Purchased Services	794,376	530,068	264,308
Other	2,162,149	1,240,879	921,270
Total Expenses	3,053,715	1,863,719	1,189,996
Net Change in Fund Equity	215,075	1,405,071	1,189,996
Fund Equity at Beginning of Year	4,518,002	4,518,002	0
Prior Year Encumbrances Appropriated	80,824	80,824	0
Fund Equity at End of Year	\$4,813,901	\$6,003,897	\$1,189,996

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
SELF-INSURANCE FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Charges for Services	\$35,284,139	\$35,284,139	\$0
Expenses:			
Purchased Services	2,214,806	2,007,998	206,808
Claims	28,085,194	28,085,194	0
Total Expenses	30,300,000	30,093,192	206,808
Net Change in Fund Equity	4,984,139	5,190,947	206,808
Fund Equity at Beginning of Year	8,911,469	8,911,469	0
Fund Equity at End of Year	\$13,895,608	\$14,102,416	\$206,808

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 122 to 131.

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 132 to 139.

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 140 to 145.

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 146 and 149.

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 150 to 153.

Sources: Unless otherwise noted, the information in these schedules is derived from the School District's annual financial reports for the relevant year.

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

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Net Position:				
Net Investment in Capital Assets	\$15,672,577	\$21,173,201	\$11,057,668	\$156,806,490
Restricted	224,850,749	225,376,276	306,007,970	165,443,307
Unrestricted	43,945,296	20,890,120	17,820,009	19,671,988
 Total Net Position	 <u><u>\$284,468,622</u></u>	 <u><u>\$267,439,597</u></u>	 <u><u>\$334,885,647</u></u>	 <u><u>\$341,921,785</u></u>

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$204,395,827	\$274,083,127	\$239,262,065	\$262,446,792	\$254,064,580	\$250,180,477
141,858,409	80,259,977	106,882,904	66,107,281	74,987,306	81,075,660
18,542,406	25,248,921	47,908,184	46,815,756	36,993,228	38,283,048
<u>\$364,796,642</u>	<u>\$379,592,025</u>	<u>\$394,053,153</u>	<u>\$375,369,829</u>	<u>\$366,045,114</u>	<u>\$369,539,185</u>

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

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2005	2006	2007	2008
Program Revenues:				
Charges for Services and Sales:				
Regular Instruction	\$577,862	\$1,396,178	\$1,835,460	\$1,341,082
Special Instruction	986,596	0	178,231	100,636
Vocational	0	0	0	0
Adult/Continuing	0	0	0	0
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Operation & Maintenance of Plant	0	0	0	0
Non-Instructional Services	3,080,464	1,953,662	1,919,204	1,510,104
Extracurricular Activities	522,556	516,844	509,132	1,144,216
Other	424,129	5,482	0	1,064,374
Total Charges for Services and Sales	<u>5,591,607</u>	<u>3,872,166</u>	<u>4,442,027</u>	<u>5,160,412</u>
Operating Grants and Contributions	55,846,887	53,854,341	54,385,141	59,341,676
Capital Grants and Contributions	<u>87,750,501</u>	<u>4,222,900</u>	<u>91,054,817</u>	<u>443,277</u>
Total Program Revenues	<u>149,188,995</u>	<u>61,949,407</u>	<u>149,881,985</u>	<u>64,945,365</u>
Expenses:				
Instruction	105,911,991	107,433,792	111,360,344	95,084,453
Pupils	12,672,265	9,537,921	9,575,153	10,155,766
Instructional Staff	17,534,083	22,070,344	19,131,027	13,464,968
Board of Education	465,405	1,504,940	1,095,719	1,525,305
Administration	13,219,010	14,653,219	13,132,034	12,003,326
Fiscal	3,987,371	3,851,625	3,058,611	4,289,621
Business	1,805,966	1,442,009	1,519,529	2,145,686
Operation and Maintenance of Plant	38,952,420	32,742,890	31,623,068	22,628,479
Pupil Transportation	17,542,113	19,099,802	19,206,398	18,765,970
Central	9,033,096	8,276,578	7,214,836	6,615,020
Non-Instructional Services	63,389,659	63,227,901	62,479,482	69,946,502
Extracurricular Activities	1,562,922	1,683,123	1,882,414	1,458,700
Interest and Fiscal Charges	12,228,489	12,283,960	12,165,455	11,951,294
Unallocated Depreciation	1,484,841	1,667,063	1,325,075	4,603,690
Total Expenses	<u>299,789,631</u>	<u>299,475,167</u>	<u>294,769,145</u>	<u>274,638,780</u>
Net Expense	<u>(\$150,600,636)</u>	<u>(\$237,525,760)</u>	<u>(\$144,887,160)</u>	<u>(\$209,693,415)</u>

2009	2010	2011	2012	2013	2014
\$2,386,406	\$1,789,584	\$3,220,136	\$2,353,387	\$1,322,960	\$1,925,139
0	0	0	0	0	0
0	0	0	0	106	0
0	0	0	0	7,008	0
0	0	0	0	6,422	6,664
0	0	0	0	5,577	5,207
0	0	0	0	679,896	468,285
1,751,167	1,475,801	1,227,808	1,062,209	1,037,089	1,028,938
636,536	628,574	686,070	576,411	502,723	1,174,278
305,335	745,087	915,281	729,560	0	98
5,079,444	4,639,046	6,049,295	4,721,567	3,561,781	4,608,609
66,429,355	57,533,689	29,137,438	55,397,307	53,460,982	54,267,485
939,577	0	0	0	0	0
72,448,376	62,172,735	35,186,733	60,118,874	57,022,763	58,876,094
98,856,366	96,506,253	95,366,779	94,121,187	95,802,036	165,244,985
10,819,918	9,677,972	11,333,241	11,415,832	10,584,362	11,763,457
15,699,017	18,484,817	17,859,066	18,606,460	17,008,329	8,835,834
703,373	1,083,663	747,968	660,791	1,149,317	927,658
16,305,055	18,587,883	15,189,457	18,505,586	14,929,426	13,636,472
3,779,802	3,700,471	3,614,243	4,596,315	3,826,663	5,217,631
1,682,577	1,500,067	1,543,948	2,578,038	2,550,132	2,399,243
22,091,652	22,163,606	20,595,511	21,073,668	19,227,426	20,987,840
15,992,195	16,741,034	17,954,929	17,184,232	17,396,242	16,306,093
7,753,959	7,291,951	7,798,118	10,263,636	9,027,827	7,476,402
72,023,470	73,765,748	72,608,042	69,881,407	69,883,726	10,339,937
1,932,220	1,997,118	1,885,787	1,773,357	1,779,626	1,984,798
11,693,210	12,029,713	10,796,083	9,954,404	6,046,324	6,134,499
3,392,488	5,123,531	5,819,416	9,694,823	8,420,106	9,276,491
282,725,302	288,653,827	283,112,588	290,309,736	277,631,542	280,531,340
(\$210,276,926)	(\$226,481,092)	(\$247,925,855)	(\$230,190,862)	(\$220,608,779)	(\$221,655,246)

(continued)

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

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(continued)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Net Expense	(\$150,600,636)	(\$237,525,760)	(\$144,887,160)	(\$209,693,415)
General Revenues:				
Property Taxes Levied for:				
General Purposes	77,453,502	74,230,414	73,210,958	65,646,213
Debt Service	13,602,246	13,969,176	14,391,679	12,834,750
Capital Projects	835,327	798,454	810,634	725,811
Other Purposes	835,324	798,454	810,635	725,812
Grants and Entitlements Not Restricted to Specific Programs	123,873,866	111,070,302	93,566,583	113,682,762
Gifts and Donations	0	0	0	0
Gain on Sale of Capital Assets	0	0	0	0
Investment Earnings	7,266,006	14,906,186	17,146,192	14,276,257
Miscellaneous	6,153,543	4,723,749	6,542,377	5,422,664
Special Item	0	0	0	0
Total General Revenues and Special Item	<u>230,019,814</u>	<u>220,496,735</u>	<u>206,479,058</u>	<u>213,314,269</u>
Change in Net Position	<u>\$79,419,178</u>	<u>(\$17,029,025)</u>	<u>\$61,591,898</u>	<u>\$3,620,854</u>

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
(\$210,276,926)	(\$226,481,092)	(\$247,925,855)	(\$230,190,862)	(\$220,608,779)	(\$221,655,246)
66,244,784	63,864,510	74,266,805	49,195,475	56,770,433	64,113,221
12,081,522	11,412,497	14,750,041	9,936,314	14,468,317	15,677,509
686,935	654,684	773,364	522,806	585,370	658,127
686,936	654,683	773,364	522,806	585,368	658,127
143,522,125	166,650,134	160,821,538	142,564,676	138,351,191	142,562,668
0	0	0	0	7,245	0
0	0	0	130,000	0	0
4,745,892	(6,557,960)	5,801,584	2,150,190	(399,516)	360,954
5,183,589	4,624,342	5,200,287	6,485,271	915,656	1,894,166
0	0	0	0	0	(775,455)
<u>233,151,783</u>	<u>241,302,890</u>	<u>262,386,983</u>	<u>211,507,538</u>	<u>211,284,064</u>	<u>225,149,317</u>
<u>\$22,874,857</u>	<u>\$14,821,798</u>	<u>\$14,461,128</u>	<u>(\$18,683,324)</u>	<u>(\$9,324,715)</u>	<u>\$3,494,071</u>

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

**FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	2005	2006	2007	2008
General Fund:				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Assigned	0	0	0	0
Unassigned (Deficit)	0	0	0	0
Reserved	15,966,465	14,560,529	6,330,325	5,211,314
Unreserved (Deficit)	27,512,436	5,844,576	(6,295,473)	(319,010)
Total General Fund	\$43,478,901	\$20,405,105	\$34,852	\$4,892,304
All Other Governmental Funds:				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Assigned	0	0	0	0
Unassigned (Deficit)	0	0	0	0
Reserved	55,553,048	82,594,602	127,820,587	42,417,236
Unreserved, Reported in:				
Special Revenue Funds	3,104,442	4,162,457	5,260,400	4,921,336
Debt Service Fund	14,215,742	14,058,105	14,494,701	13,977,212
Capital Projects Funds	233,569,356	185,877,391	111,135,925	133,053,990
Total All Other Governmental Funds	\$306,442,588	\$286,692,555	\$258,711,613	\$194,369,774

Notes:

The School District implemented GASB 54 in fiscal year 2011.

2009	2010	2011	2012	2013	2014
\$0	\$894,677	\$1,183,167	\$1,120,782	\$161,798	\$161,798
0	0	0	0	0	0
0	347,205	87,383	109,751	4,117,751	0
0	4,498,288	8,739,049	16,705,284	0	(3,784,487)
6,289,229	0	0	0	0	0
279,230	0	0	0	0	0
<u>\$6,568,459</u>	<u>\$5,740,170</u>	<u>\$10,009,599</u>	<u>\$17,935,817</u>	<u>\$4,279,549</u>	<u>(\$3,622,689)</u>
\$0	\$201,138	\$119,182	\$56,420	\$0	\$0
0	147,679,559	94,212,021	61,541,462	58,376,847	61,958,295
0	0	0	0	0	0
0	(2,609,600)	(2,737,367)	(2,157,329)	(374,324)	(61,071)
61,517,410	0	0	0	0	0
4,716,508	0	0	0	0	0
11,899,467	0	0	0	0	0
102,417,098	0	0	0	0	0
<u>\$180,550,483</u>	<u>\$145,271,097</u>	<u>\$91,593,836</u>	<u>\$59,440,553</u>	<u>\$58,002,523</u>	<u>\$61,897,224</u>

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

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2005	2006	2007	2008
Revenues:				
Taxes	\$95,648,787	\$92,172,361	\$90,489,848	\$81,561,049
Intergovernmental	184,615,340	198,176,022	216,757,616	226,479,942
Investment Earnings	6,544,611	13,151,796	17,260,845	13,782,073
Tuition and Fees	1,254,126	983,594	1,493,412	2,103,573
All Other Revenues	10,754,524	7,625,405	9,500,464	8,591,424
Total Revenue	298,817,388	312,109,178	335,502,185	332,518,061
Expenditures:				
Current:				
Instruction	103,538,639	107,085,761	115,046,682	91,854,848
Support Services:				
Pupils	12,354,055	9,534,492	9,863,485	10,214,217
Instructional Staff	17,336,963	22,094,580	19,559,431	13,614,035
Board of Education	468,168	1,510,498	1,108,281	1,515,645
Administration	12,850,102	14,836,577	13,538,125	12,102,344
Fiscal and Business	5,425,277	5,762,890	4,635,879	5,714,758
Operation and Maintenance of Plant	24,818,020	25,814,651	22,875,579	22,612,843
Pupil Transportation	16,787,911	18,403,871	18,557,040	17,289,289
Central	8,767,693	8,123,218	7,189,660	6,332,612
Operation of Non-Instructional Services	63,286,105	63,642,951	62,658,030	69,785,072
Extracurricular Activities	1,522,813	1,651,637	1,841,486	1,422,323
Capital Outlay	36,674,780	58,989,483	87,105,790	120,414,866
Debt Service:				
Principal Retirement	11,922,011	6,362,762	7,026,683	6,631,517
Interest and Fiscal Charges	12,421,566	12,293,703	12,175,930	11,969,440
Current Refunding	0	0	0	0
Swaption Termination Fee	0	0	0	0
Advance Refunding Escrow	0	0	0	0
Issuance Costs	0	0	0	0
Total Expenditures	328,174,103	356,107,074	383,182,081	391,473,809
Excess of Revenues Under Expenditures	(29,356,715)	(43,997,896)	(47,679,896)	(58,955,748)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	23,096	8,403	10,883	91,060
Inception of Capital Leases	3,024,185	1,500,000	0	0
Current Refunding	0	0	0	0
Refunding Bonds Issued	0	0	0	0
Proceeds from Sale of Notes	0	0	0	0
Premium on Issuance of Bonds	0	0	0	0
Premium on Issuance of Refunding Bonds	0	0	0	0
Payment to Refunding Bonds Escrow Agent	0	0	0	0
Refunding Notes Issued	0	0	0	0
Proceeds from Sale of Options	0	0	0	0
Transfers In	474,389	475,018	444,226	20,600,018
Transfers Out	(1,140,590)	(809,354)	(1,126,408)	(21,219,717)
Total Other Financing Sources (Uses)	2,381,080	1,174,067	(671,299)	(528,639)
Net Change in Fund Balance	(\$26,975,635)	(\$42,823,829)	(\$48,351,195)	(\$59,484,387)
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	8.35%	6.28%	6.49%	6.86%

2009	2010	2011	2012	2013	2014
\$76,223,293	\$69,279,536	\$72,603,902	\$68,395,202	\$67,189,704	\$72,959,640
233,641,391	243,734,419	220,348,538	204,754,204	191,347,183	195,779,510
5,782,612	1,427,190	1,774,828	1,170,074	575,840	431,199
2,105,684	1,285,216	2,764,195	2,181,368	1,164,730	1,778,113
7,732,819	8,075,526	8,512,622	9,043,234	3,339,508	5,024,191
<u>325,485,799</u>	<u>323,801,887</u>	<u>306,004,085</u>	<u>285,544,082</u>	<u>263,616,965</u>	<u>275,972,653</u>
99,360,164	97,474,076	97,124,824	91,211,967	95,154,860	164,797,627
10,671,850	9,421,194	11,509,619	11,282,269	10,919,710	12,469,823
15,418,891	18,457,903	18,142,239	18,516,548	17,431,368	9,901,114
704,595	1,043,473	732,653	629,222	1,135,863	945,478
16,112,024	18,431,062	15,194,443	18,434,096	14,333,319	14,390,511
5,414,391	5,171,192	5,118,077	7,137,785	6,286,960	7,462,445
22,020,305	21,924,172	20,512,238	20,812,849	19,504,200	21,627,130
15,292,841	18,108,151	17,123,253	18,317,466	16,296,573	15,176,922
7,546,319	6,762,566	7,687,374	10,532,374	8,877,094	7,223,004
71,922,219	73,427,459	72,775,088	69,737,428	70,402,708	10,963,005
1,910,692	1,953,493	1,871,742	1,732,629	1,697,331	1,931,923
51,779,324	76,457,572	67,536,348	24,089,932	908,877	369,545
6,855,890	7,531,334	7,842,900	9,582,257	7,960,000	8,310,000
12,133,216	12,479,835	11,246,601	10,384,326	6,647,585	6,992,202
0	0	0	0	0	5,000
0	0	0	0	12,955,000	0
0	0	0	0	2,280,563	0
0	0	0	292,498	0	0
<u>337,142,721</u>	<u>368,643,482</u>	<u>354,417,399</u>	<u>312,693,646</u>	<u>292,792,011</u>	<u>282,565,729</u>
<u>(11,656,922)</u>	<u>(44,841,595)</u>	<u>(48,413,314)</u>	<u>(27,149,564)</u>	<u>(29,175,046)</u>	<u>(6,593,076)</u>
98,849	0	0	130,000	0	1,700,567
0	0	0	0	0	0
0	0	0	0	0	(93,445,000)
0	0	0	14,735,000	98,284,989	93,445,000
0	0	0	2,495,000	0	0
0	0	0	64,898	0	0
0	0	0	628,370	16,438,446	884,972
0	0	0	(15,130,769)	(194,092,687)	0
0	0	0	0	93,450,000	0
0	9,685,000	0	0	0	0
23,006,814	3,460,042	1,500,000	16,179,663	1,242,486	279,315
<u>(23,591,877)</u>	<u>(4,384,707)</u>	<u>(2,494,518)</u>	<u>(16,179,663)</u>	<u>(1,242,486)</u>	<u>(279,315)</u>
<u>(486,214)</u>	<u>8,760,335</u>	<u>(994,518)</u>	<u>2,922,499</u>	<u>14,080,748</u>	<u>2,585,539</u>
<u>(\$12,143,136)</u>	<u>(\$36,081,260)</u>	<u>(\$49,407,832)</u>	<u>(\$24,227,065)</u>	<u>(\$15,094,298)</u>	<u>(\$4,007,537)</u>
6.65%	6.85%	6.65%	6.98%	5.00%	5.42%

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

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

Collection Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2014	\$1,466,344,310	\$4,189,555,171	\$90,396,100	\$232,153,620
2013	1,459,489,480	4,169,969,943	82,448,800	211,743,509
2012	1,513,906,510	4,325,447,171	76,811,230	197,265,204
2011	1,747,249,560	4,992,141,600	74,225,500	190,624,580
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

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:

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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 property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax has been phased out. The 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out assessment percent was 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. Telephone property tax was phased out beginning in 2006. The listing percentage is 25 percent for 2006, 20 percent for 2007, 15 percent for 2008, 10 percent for 2009, 5 percent for 2010 and zero for 2011.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated 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 percent and 2 1/2 percent rollback and the homestead exemption before being billed. Beginning in the 2006 collection year, the 10 percent rollback 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		
\$0	\$0	\$1,556,740,410	4,421,708,791	79.85	35.2%
0	0	1,541,938,280	4,381,713,452	79.85	35.2
0	0	1,590,717,740	4,522,712,376	77.52	35.2
0	0	1,821,475,060	5,182,766,180	76.52	35.1
2,404,820	9,619,280	1,844,822,560	5,253,157,156	72.17	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

**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				Total
	Operating	Debt Service	Permanent Improvement	Maintenance and Upkeep	
2014	\$67.55	\$11.30	\$0.50	\$0.50	\$79.85
2013	67.55	11.30	0.50	0.50	79.85
2012	67.55	8.97	0.50	0.50	77.52
2011	67.55	7.97	0.50	0.50	76.52
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

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) Overlapping millage presented is total millage for the subdivision.

Overlapping Millage (a)

Montgomery County	City of Dayton	Dayton Montgomery County Library	City of Trotwood	City of Riverside	Harrison Township	Jefferson Township
\$20.94	\$10.00	\$3.31	\$23.80	\$11.34	\$28.97	\$18.59
20.94	10.00	3.31	19.65	11.34	24.97	18.59
20.94	10.00	1.75	19.65	11.34	24.97	18.59
20.94	10.00	1.75	19.65	11.34	24.97	18.59
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

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

<u>Name of Taxpayer</u>	<u>Fiscal Year 2014</u>			<u>Fiscal Year 2005</u>		
	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Value</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Value</u>
Dayton Power and Light Company	\$78,149,460	1	5.02%	N/A	N/A	N/A
Vectren Energy Delivery of Ohio	12,870,260	2	0.83%	N/A	N/A	N/A
City of Dayton	7,785,770	3	0.50%	\$9,751,050	3	0.46%
KND Real Estate 29 LLC	7,605,180	4	0.49%	N/A	N/A	N/A
River Park Development I LLC	6,069,250	5	0.39%	N/A	N/A	N/A
Miami Valley Hospital	5,274,820	6	0.34%	8,461,750	4	0.40%
Marriot Division American	5,238,110	7	0.34%	N/A	N/A	N/A
Ducru SPE LLC	4,734,550	8	0.30%	N/A	N/A	N/A
Tower Partners LLC	4,527,370	9	0.28%	N/A	N/A	N/A
Woodman Park Apartments LLC	3,173,540	10	0.20%	N/A	N/A	N/A
BEHR Dayton Terminal	N/A	N/A	N/A	5,041,610	8	0.24%
NCR Corporation	N/A	N/A	N/A	16,897,860	1	0.80%
Nikides, Joanne H. etal	N/A	N/A	N/A	4,715,120	9	0.22%
Arts Center Foundation	N/A	N/A	N/A	16,082,190	2	0.77%
Heart Hospital of DTO	N/A	N/A	N/A	7,142,490	5	0.34%
Virginia Kettering Trust	N/A	N/A	N/A	6,595,500	6	0.31%
Danis Realty Co. Inc.	N/A	N/A	N/A	6,037,060	7	0.29%
Ducru Limited Partnership	N/A	N/A	N/A	3,986,400	10	0.19%
Subtotal	135,428,310		8.69%	84,711,030		4.02%
All Other Taxpayers	<u>1,421,312,100</u>		<u>91.31%</u>	<u>2,022,893,598</u>		<u>95.98%</u>
Total Assessed Valuation	<u>\$1,556,740,410</u>		<u>100.00%</u>	<u>\$2,107,604,628</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.

N/A - Information not available

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

Collection Year (1)	Current Levy	Current Tax Collections (2)	Percent of Current Levy Collected	Delinquent Tax Collections (3)
2014	\$89,028,266	\$76,612,394	86.1%	\$6,855,700
2013	87,607,359	75,771,460	86.5	5,573,767
2012	85,956,230	71,914,936	83.7	5,706,881
2011	88,240,878	75,895,004	86.0	4,540,620
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

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. 2013 information represents tax levies and collections through November 1, 2013.
- (2) State reimbursements of rollback and homestead exemptions are included.
- (3) The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.
- (4) Penalties and interest are included since by Ohio law they become part of the tax obligation as assessment occurs.

<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>
\$83,468,094	93.8%	\$46,862,257	52.6%
81,345,227	92.9	38,441,505	43.9
77,621,817	90.3	34,825,288	40.5
80,435,624	91.2	43,043,091	48.8
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

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Year	General Bonded Debt		
	General Obligation Bonds	Percentage of Total Assessed Property Value (a)	Per Capita (b)
2014	\$109,785,910	7.05	768
2013	117,683,113	7.63	833
2012	209,887,137	13.19	1,483
2011	214,669,313	11.79	1,517
2010	221,745,305	12.02	1,441
2009	228,566,297	12.14	1,458
2008	234,767,289	11.65	1,478
2007	240,793,281	11.50	1,516
2006	246,734,273	11.39	1,539
2005	252,130,265	11.96	1,517

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 13 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			
\$94,053,117	\$14,808,284	\$10,000,000	\$0	\$228,647,311	9.71	1,595
94,289,559	15,320,247	10,000,000	0	237,292,919	10.22	1,679
1,050,000	15,357,210	10,000,000	0	236,294,347	14.85	1,670
1,400,000	14,760,000	10,000,000	2,072,257	242,901,570	11.40	1,716
1,750,000	15,070,000	10,000,000	2,705,157	251,270,462	11.71	1,633
2,100,000	15,350,000	10,000,000	3,311,491	259,327,788	10.96	1,654
2,450,000	15,600,000	10,000,000	3,892,381	266,709,670	13.14	1,679
2,800,000	15,825,000	10,000,000	4,448,898	273,867,179	13.57	1,724
3,150,000	16,025,000	10,000,000	5,510,581	281,419,854	14.11	1,756
3,500,000	16,205,000	10,000,000	4,973,343	286,808,608	14.02	1,726

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

	2005	2006	2007	2008
Total Assessed Property Value	\$2,107,604,628	\$2,165,579,321	\$2,094,248,564	\$2,014,561,735
Overall Direct Debt Limitation:				
Bond Debt Limit (a)	189,684,417	194,902,139	188,482,371	181,310,556
Net Bond Indebtedness (c)	(226,214,258)	(221,501,895)	(215,650,299)	(210,667,788)
Overall Debt Margin (b)	(36,529,841)	(26,599,756)	(27,167,928)	(29,357,232)
<i>Total net bonded debt applicable to the limit as a percentage of overall direct debt limitation</i>	<i>119.26%</i>	<i>113.65%</i>	<i>114.41%</i>	<i>116.19%</i>
Unvoted Direct Debt Limitation:				
Unvoted Debt Limit (a)	2,107,605	2,165,579	2,094,249	2,014,562
Unvoted Debt Outstanding	0	0	0	0
Unvoted Debt Margin	\$2,107,605	\$2,165,579	\$2,094,249	\$2,014,562
<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>

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

Notes:

- (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.
- (c) Starting in 2013, this amount comes directly from the School Districts Bond Council.

2009	2010	2011	2012	2013	2014
\$1,883,075,320	\$1,844,822,560	\$1,821,475,060	\$1,590,717,740	\$1,541,938,280	\$1,556,740,410
169,476,779 (207,070,533)	166,034,030 (204,107,463)	163,932,755 (199,510,750)	143,164,597 (195,632,944)	138,774,445 (183,897,917)	140,106,637 (183,654,989)
<u>(37,593,754)</u>	<u>(38,073,433)</u>	<u>(35,577,995)</u>	<u>(52,468,347)</u>	<u>(45,123,472)</u>	<u>(43,548,352)</u>
<i>122.18%</i>	<i>122.93%</i>	<i>121.70%</i>	<i>136.65%</i>	<i>132.52%</i>	<i>131.08%</i>
1,883,075 0	1,844,823 0	1,821,475 0	1,590,718 0	1,541,938 0	1,556,740 0
<u>\$1,883,075</u>	<u>\$1,844,823</u>	<u>\$1,821,475</u>	<u>\$1,590,718</u>	<u>\$1,541,938</u>	<u>\$1,556,740</u>
<i>0.00%</i>	<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, 2014**

<u>Governmental Unit (1)</u>		<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Amount Applicable to School District</u>
Montgomery County	(b)	\$50,834,968	16.50%	\$8,387,770
City of Dayton	(b)	72,391,107	83.39%	60,366,944
City of Riverside	(b)	7,466,916	12.73%	950,538
City of Trotwood	(b)	15,397,865	16.77%	<u>2,582,222</u>
Subtotal, Overlapping Debt				72,287,474
School District Direct Debt			100.00%	<u>228,647,311</u>
Total Direct and Overlapping Debt				<u><u>\$300,934,785</u></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, 2014.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS

Year	Revenue	Tax Anticipation Notes (a)		Coverage
		Principal	Interest	
2014	\$590,795	\$350,000	\$19,215	1.600
2013	557,340	350,000	32,132	1.459
2012	580,343	350,000	44,835	1.470
2011	618,623	350,000	57,645	1.518
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	0	125,253	6.941

Notes:

- (1) Details regarding the School District's outstanding debt can be found in Note 13 to the Basic Financial Statements.
- (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 AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS

Year	City of Dayton Population (1)	Personal Income (2)	Per Capita Personal Income	Unemployment Rate (3)
2013	143,355	\$2,354,892,585	\$16,427	5.4%
2012	141,359	2,322,104,293	16,427	6.8
2011	141,527	1,590,717,740	11,240	9.8
2010	141,527	2,130,738,407	15,055	11.3
2009	153,843	2,144,937,339	13,942	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

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 EMPLOYERS
CURRENT YEAR AND SEVEN YEARS AGO**

Employer	Fiscal Year 2014			Fiscal Year 2007		
	Employees (a)	Rank	Percentage of Total Employees	Employees (a)	Rank	Percentage of Total Employees
Wright Patterson Air Force Base	27,500	1	38.52%			
Premier Heath Partners	14,765	2	20.68%			
Kettering Medical Center Network	7,000	3	9.80%			
Kroger Co.	4,950	4	6.93%			
Montgomery County	3,884	5	5.44%			
LexisNexis	3,600	6	5.04%			
Wright State University	2,703	7	3.79%			
Sinclair Community College	2,613	8	3.66%			
University of Dayton	2,297	9	3.22%			
Dayton City School District	2,085	10	2.92%			
Wright Patterson Air Force Base				21,000	1	27.30%
Honda of America Manufacturing, Inc.				13,000	2	16.90%
Premier Heath Partners				9,000	3	11.70%
Kettering Medical Center Network				7,000	4	9.10%
Delphi Corporation				6,000	5	7.80%
Meijer Inc.				5,025	6	6.53%
The Reynolds and Reynolds Co.				4,400	7	5.72%
Montgomery County				4,000	8	5.20%
General Motors Corporation				4,000	9	5.20%
Miami University				3,500	10	4.55%
Total	71,397		100.00%	76,925		100.00%

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.
- (2) Data is presented for the Dayton Metropolitan Area which does not have the same boundaries as Dayton City School District, however, this was the only data available.
- (a) Amount reported is employee headcount which differs from the "Full Time Equivalent" numbers reported elsewhere in this section.
- (b) Information prior to 2007 is unavailable.

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

**OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Year	Average Daily Membership	Operating Expenditures (1)	Cost per Pupil	Percentage Change (2)	Expenses (3)	Cost per Pupil
2014	13,516	\$255,925,977	\$18,935	27.03%	\$271,254,849	\$20,069
2013	13,616	202,959,747	14,906	1.02%	269,211,436	19,772
2012	14,179	209,215,309	14,755	0.92%	280,614,913	19,791
2011	14,174	207,237,315	14,621	-5.07%	283,112,588	19,974
2010	13,664	210,456,733	15,402	8.77%	286,809,065	20,990
2009	14,393	203,818,669	14,161	17.26%	282,725,302	19,643
2008	16,157	195,120,251	12,077	-11.76%	274,638,780	16,998
2007	16,517	226,049,108	13,686	2.03%	294,769,145	17,846
2006	17,054	228,759,125	13,414	9.05%	299,475,167	17,560
2005	17,677	217,430,737	12,300	-0.73%	299,789,631	16,959

Notes:

(1) 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.

(2) 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.

(3) Expenses are total government wide expenses less unallocated depreciation.

<u>Percentage Change</u>	<u>Number of Teaching Staff</u>	<u>Pupil-Teacher Ratio</u>	<u>Percentage of Free or Reduced Price Meals</u>
1.50%	1,053	12.84	100.00%
-0.10%	1,086	12.54	96.35%
-0.92%	1,178	12.04	77.90%
-4.84%	1,038	13.66	81.78%
6.86%	1,052	12.99	74.56%
15.56%	1,146	12.56	74.56%
-4.75%	1,163	13.89	68.60%
1.63%	1,405	11.76	72.00%
3.54%	1,432	11.91	72.00%
3.07%	1,503	11.76	80.00%

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

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Official/Administrative										
Asst. Principal	22	23	22	13	20	22	24	18	17	21
Principals	33	33	37	35	35	32	34	30	30	32
Superintendent	1	1	1	1	1	1	1	1	1	1
Supervisor/Manager	41	41	30	39	40	41	36	38	40	40
Treasurer	1	1	1	1	1	1	1	1	2	2
Coordinator	3	15	8	10	12	14	12	12	13	17
Director	5	7	5	11	10	11	11	18	16	16
Other Official/Administrative	9	5	5	5	4	4	3	4	5	5
Totals	<u>115</u>	<u>126</u>	<u>109</u>	<u>115</u>	<u>123</u>	<u>126</u>	<u>122</u>	<u>122</u>	<u>124</u>	<u>134</u>
Professional - Educational/Other										
Curriculum Specialist	76	78	57	38	48	67	66	23	22	24
Counseling	13	11	18	12	14	14	14	12	13	13
Librarian/Media	11	10	11	10	10	9	8	7	7	7
Remedial Specialist	0	0	0	5	29	23	29	18	5	7
Tutor/Small Group Instructor	33	27	21	37	7	0	0	29	29	31
Supplemental Service Teacher (Special Education)	0	0	0	36	77	66	60	40	45	48
General Education	868	703	687	640	586	610	614	574	586	654
Gifted and Talented	0	0	0	0	4	3	4	3	3	3
Preschool Special Education	0	0	0	0	29	33	33	32	32	32
Special Education	206	225	184	204	205	210	195	194	186	186
Career-Technical Programs/Pathways	1	3	33	41	38	24	23	23	22	22
Art Education K-8	0	0	0	0	27	24	23	22	24	24
Music Education K-8	0	0	0	0	38	39	36	24	21	21
Physical Education K-8	0	0	0	0	41	39	33	32	36	36
Other Professional	31	165	127	66	16	17	14	4	20	20
Psychologist	12	12	11	13	19	18	18	13	14	14
Registered Nursing	33	33	32	28	29	29	30	22	21	21
Speech and Language Therapist	19	22	19	18	19	17	20	19	17	17
Occupational Therapist	15	15	13	11	6	9	7	8	7	7
Educational Interpreter	22	22	22	19	18	16	16	13	12	12
Other Professional - Other	57	52	54	54	31	31	32	38	26	26
Totals	<u>1,397</u>	<u>1,378</u>	<u>1,289</u>	<u>1,232</u>	<u>1,291</u>	<u>1,298</u>	<u>1,275</u>	<u>1,150</u>	<u>1,148</u>	<u>1,225</u>
Technical/Office/Clerical										
Instructional Paraprofessional	0	0	0	17	264	296	283	236	232	234
Other Technical	16	16	14	12	13	14	13	8	12	12
Clerical	165	176	135	166	150	146	137	127	115	116
Teaching Aide	116	185	241	268	36	41	47	41	43	44
Other Office/Clerical	3	2	2	2	2	3	3	3	2	2
Totals	<u>300</u>	<u>380</u>	<u>393</u>	<u>465</u>	<u>465</u>	<u>500</u>	<u>483</u>	<u>415</u>	<u>404</u>	<u>408</u>
Crafts and Trades/Operative										
Mechanic	20	20	18	18	17	16	15	17	20	16
Other Crafts and Trades	39	39	39	41	38	40	38	38	36	36
Vehicle Operator (other than buses)	16	14	13	12	12	12	11	11	11	11
Vehicle Operator (buses)	205	212	183	206	199	215	203	181	156	156
Other Operative	12	13	12	9	9	9	9	9	8	8
Totals	<u>292</u>	<u>298</u>	<u>265</u>	<u>286</u>	<u>275</u>	<u>292</u>	<u>276</u>	<u>256</u>	<u>231</u>	<u>227</u>
Service Work/Laborer										
Custodian	160	177	151	150	146	145	127	117	114	115
Food Service	127	143	129	144	137	129	128	116	108	118
Guard/Watchman	18	20	19	20	23	24	24	26	25	22
Other Service Worker/Laborer	24	20	16	21	24	19	19	21	19	19
Totals	<u>329</u>	<u>360</u>	<u>315</u>	<u>335</u>	<u>330</u>	<u>317</u>	<u>298</u>	<u>280</u>	<u>266</u>	<u>274</u>
Totals	<u><u>2,433</u></u>	<u><u>2,542</u></u>	<u><u>2,371</u></u>	<u><u>2,433</u></u>	<u><u>2,484</u></u>	<u><u>2,533</u></u>	<u><u>2,454</u></u>	<u><u>2,223</u></u>	<u><u>2,173</u></u>	<u><u>2,268</u></u>

Source: Ohio Department of Education EMIS records

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
TEACHER EDUCATION AND EXPERIENCE
JUNE 30, 2014

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	190	18.04%
Bachelor's + 18 Semester Hours of Graduate Credit	90	8.55
Master's Degree	616	58.50
Master's Degree + 30 Semester Hours of Graduate Credit	142	13.49
Doctorate Degree	<u>15</u>	<u>1.42</u>
Total	<u><u>1,053</u></u>	<u><u>100.00</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0-5	190	18.04
6-10	194	18.42
11-15	211	20.04
16 and Over	<u>458</u>	<u>43.50</u>
Total	<u><u>1,053</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 NINE FISCAL YEARS

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

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) These buildings are not used starting fiscal year 2009 due to the district's decision 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.
- (b) These buildings represent combination and alternative center. Enrollment for these buildings are included in the appropriate level above.

2010	2011	2012	2013	2014
19	22	22	22	22
1,473,978	1,461,913	1,584,111	1,584,111	1,536,502
10,338	10,662	10,453	10,453	10,035
9,612	9,726	10,060	10,419	9,178
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
4	4	4	4	6
714,815	986,583	514,184	923,077	923,077
4,192	5,119	2,910	4,708	4,708
4,052	4,114	4,087	3,460	4,160
9	3	4	2	1
779,764	220,282	558,675	149,782	98,934
4,689	1,248	3,046	1,248	919
(b)	334	1,964	297	178
1	1	1	1	1
150,000	150,000	150,000	150,000	150,000
5	6	4	4	4
224,639	191,474	106,399	106,399	106,399
1	1	1	1	1
239	223	225	216	200
1	1	1	1	1
9	10	11	11	11
4	4	6	6	6
6	6	7	7	7
9	17	21	21	21
-	-	-	-	-
44	44	48	48	48
16	16	23	23	23

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