



**Auditor of State  
Betty Montgomery**



DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY

TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Schedule of Federal Awards Receipts and Expenditures.....	1
Notes to the Schedule of Federal Awards Receipts and Expenditures.....	4
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	5
Independent Accountants' Report on Compliance with Requirements Applicable To Major Federal Program and Internal Control Over Compliance In Accordance with OMB Circular A-133.....	7
Schedule of Findings.....	9
Schedule of Prior Audit Findings.....	16

**This page intentionally left blank.**

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2004**

<b>Federal Grantor/ Pass Through Grantor Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Number</b>	<b>Receipts</b>	<b>Non Cash Receipts</b>	<b>Disbursements</b>	<b>Non Cash Disbursements</b>
<b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>						
Nutrition Cluster						
<i>Direct</i>						
Food Donation - Cash in Lieu of Commodities	10.550	N/A	\$396,148		\$396,148	
<i>Passed Through Ohio Department of Education</i>						
Food Distribution Program - Commodities		N/A		522,361		522,361
Total Food Distribution Program			396,148	522,361	396,148	522,361
<i>Passed Through Ohio Department of Education</i>						
National School Breakfast Program	10.553	05-PU 03	538,468		538,468	
		05-PU 04	1,269,977		1,269,977	
Total National School Breakfast Program			1,808,445		1,808,445	
National School Lunch	10.555	LLP4 03	1,189,981		1,189,981	
		LLP4 04	2,916,634		2,916,634	
Total National School Lunch			4,106,615		4,106,615	
Summer Food Service Program	10.559	23-PU 03	147,989		147,989	
		23-PU 04	100,000		100,000	
		24-PU 03	25,168		25,168	
		24-PU 04	5,400		5,400	
Total Summer Food Service Program			278,557		278,557	
Total United States Department of Agriculture - Nutrition Cluster			6,589,765	522,361	6,589,765	522,361
<b>UNITED STATES DEPARTMENT OF EDUCATION</b>						
<i>Direct</i>						
Magnet School Grant	84.165	N/A	13,435		18,433	
		N/A	259,185		295,289	
		N/A	37,150		37,134	
		N/A	190,289		190,289	
Total Magnet School Grant			500,059		541,145	
<i>Passed Through Ohio Department of Education</i>						
Adult Basic Education	84.002	AB-S1-03	33,738		19,999	
		AB-S1-04	297,874		598,203	
		AB-S1-03C	122,346		122,346	
Total Adult Basic Education			453,958		740,548	
Title I Grants to Local Educational Agencies	84.010	C1-SK-03	433,036		508,514	
		C1-SK-04	174,949		79,837	
		N/A			882,516	
		C1-S1-04	9,184,619		8,554,429	
		C1-SD-03	3,605		8,595	
		C1-SD-04	98,313		49,648	
		N/A			87,625	
		C1-S1-04	947,817		873,335	
Total Title I Grants to Local Educational Agencies			10,842,339		11,044,499	
Title II - Part D Education Technology	84.318	TJ-S1-03	25,047		56,557	
		TJ-S1-04	141,256		87,812	
		TJ-SL-04	283,232		252,116	
Total Title II - Part D Education Technology			449,535		396,485	
Vocational Education_Occupational and Employment Information	84.346	OEOO-03	298		1,120	

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2004**

<b>Federal Grantor/ Pass Through Grantor Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Number</b>	<b>Receipts</b>	<b>Non Cash Receipts</b>	<b>Disbursements</b>	<b>Non Cash Disbursements</b>
<b>UNITED STATES DEPARTMENT OF EDUCATION (Continued)</b>						
Special Education Cluster						
Special Education_Grants to States (IDEA Part B)	84.027	6B-SF-04	3,050,589		2,835,702	
		6BEC-03P	29,425		28,908	
		6B-PB-04	25,646		17,803	
		6B-SF-03	<u>309,862</u>		<u>728,347</u>	
Total Special Education_Grants to States (IDEA Part B)			3,415,522		3,610,760	
Special Education_Preschool Grants	84.173	PG-S1-03	-346		4,747	
		PG-S1-04	139,700		141,576	
Total Special Education_Preschool Grants			<u>139,354</u>		<u>146,323</u>	
Total Special Education Cluster			<u>3,554,876</u>		<u>3,757,083</u>	
Vocational Education_Basic Grant	84.048	20-A0-02	38,905			
		20-C1-04	650,562		727,859	
		20-C1-03	<u>290,654</u>		<u>143,868</u>	
Total Vocational Education_Basic Grant			980,121		871,727	
<i>Direct</i>						
Safe and Drug-Free Schools and Communities_State Grants	84.186	N/A	477,390		427,199	
		N/A	732,390		683,495	
		N/A	1,018,023		1,062,638	
<i>Passed Through Ohio Department of Education</i>		DR-S1-04	<u>247,446</u>		<u>257,532</u>	
Total Safe and Drug-Free Schools and Communities_State Grants			2,475,249		2,430,864	
Safe and Drug-Free Schools and Communities_National Programs	84.184C	T4-S1-04	7,072		5,752	
Education for Homeless Children and Youth	84.196	HC-S1-03	20,124		14,555	
		HC-S1-04	100,579		83,409	
		HC-SP-03	35,925		35,925	
		N/A			9,660	
Total Education for Homeless Children and Youth			<u>156,628</u>		<u>143,549</u>	
Even Start_State Educational Agencies	84.213	EV-S3-02	124,382		117,705	
		EV-S4-03	6,038		59,840	
Total Even Start_State Educational Agencies			<u>130,420</u>		<u>177,545</u>	
Fund for the Improvement of Education	84.215	N/A	287,092		287,667	
Advanced Placement Program	84.330	AVS1-03	1,150			
Twenty-First Century Community Learning Centers	84.287	TI-SI-03	114,317		91,480	
		T1-SI-04	269,185		259,759	
Total Twenty-First Century Community Learning Centers			<u>383,502</u>		<u>351,239</u>	
State Grants for Innovative Programs	84.298	C2-S1-03	53,137		17,879	
		C2-S1-04	<u>32,282</u>		<u>13,074</u>	
Total State Grants for Innovative Programs			85,419		30,953	
Comprehensive School Reform Demonstration	84.332	RF-K1-02	20,208		16,874	
		RF-K1-03	9,792		4,111	
		RF-CC-04	76,836		70,176	
		RF-CC-03	221,342		170,532	
		RF-S1-02	34,840		37,405	
		RF-S2-03	<u>25,200</u>		<u>21,346</u>	
Total Comprehensive School Reform Demonstration			388,218		320,444	

DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2004

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Pass Through Entity Number	Receipts	Non Cash Receipts	Disbursements	Non Cash Disbursements
Improving Teacher Quality State Grants	84.367	N/A			328,642	
		N/A	129,999		13,074	
		TR-S1-04	2,346,385		1,981,225	
Total Improving Teacher Quality State Grants			2,476,384		2,322,941	
English Language Acquisition Grants	84.365	N/A			1,195	
		T3-S1-04	6,456		18,024	
Total English Language Acquisition Grants			6,456		19,219	
School Renovation	84.352A	AT-S4-02	(18,036)		5,874	
		N/A			8,416	
		N/A			72,868	
		N/A			3,732	
Total School Renovation			(18,036)		90,890	
Reading First State Grants	84.357	N/A	2,380,591		2,209,612	
Total United States Department of Education			25,541,331		25,743,282	
<b>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>						
<i>Passed Through Miami Valley Child Development Centers</i>						
Head Start	93.600	05CH54443	1,021,357		930,342	
		05CH54444	679,801		796,061	
Total Head Start			1,701,158		1,726,403	
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities</i>						
Medical Assistance Program	93.778	N/A	559,040		559,446	
Total United States Department of Health and Human Services			2,260,198		2,285,849	
<b>NATIONAL SCIENCE FOUNDATION</b>						
<i>Direct</i>						
Education and Human Resources	47.076	ESR9801630	293,000		350,422	
					15,095	
Total National Science Foundation - Education and Human Resources			293,000		365,517	
<b>Total Federal Assistance</b>			<b>\$34,684,294</b>	<b>\$522,361</b>	<b>\$34,984,413</b>	<b>\$522,361</b>

The notes to this schedule are an integral part of this schedule.

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FISCAL YEAR ENDED JUNE 30, 2004**

**NOTE A -- SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B -- NUTRITION CLUSTER**

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

**NOTE C -- MATCHING REQUIREMENTS**

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





## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

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

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Dayton City School District (the District) as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 22, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### **Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could directly and materially affect determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2004-001 through 2004-005. Additionally, we noted certain immaterial instances of noncompliance that we have reported to the District's management in a separate letter dated December 22, 2004.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with management's assertions in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2004-006 through 2004-009.

**Internal Control Over Financial Reporting  
(Continued)**

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable conditions described above are material weaknesses. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the District's management in a separate letter dated December 22, 2004.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

December 22, 2004



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

To the Board of Education:

**Compliance**

We have audited the compliance of the Dayton City School District (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004. However, we noted certain instances of noncompliance that do not require inclusion in this report that we have reported to the management of the District in a separate letter dated December 22, 2004.

### **Internal Control Over Compliance**

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

### **Schedule of Federal Awards Expenditures**

We have audited the basic financial statements of the District as of and for the year ended June 30, 2004, and have issued our report thereon dated December 22, 2004. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



**Betty Montgomery**  
Auditor of State

December 22, 2004

**DATYON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133§ .505  
JUNE 30, 2004**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iii)</b>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	CFDA#'s 84.027 & 84.173 - Special Education Cluster CFDA# 84.186 - Safe and Drug Free Schools CFDA# 84.357 - Reading First CFDA# 84.010 - Title I
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 1,065,203 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

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

**FINDING NUMBER 2004-001**

**Finding for Recovery**

**Ohio Rev. Code Section 9.39** states that all “public officials are liable for all public money received or collected by them or by their subordinates under color of office.” Monies collected by the Athletic Director were not deposited in accordance with guidelines established under **Ohio Rev. Code Section 9.38** and subsequently stolen.

On November 21, 2004, a safe containing undeposited District monies, located in the Athletic Director’s office, was stolen from the District’s Welcome Stadium facility. The safe contained \$11,280 in parking receipts and \$2,000 in Athletic start-up monies. Under Ohio Rev. Code Section 9.39, “all public officials are liable for all public money received or collected by them or by their subordinates under color of office.” Public officials are liable without fault for the loss of public funds. See State of Ohio v. Hale (1991), 60 Ohio St.3d 62 and State ex rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies collected but unaccounted for is hereby issued against Mr. Robert Denney, Dayton City School District Athletic Director, in the amount of thirteen thousand, two hundred and eighty dollars (\$13,280) and in favor of Dayton City School District’s District Managed Student Activities Fund.

**Client Response:** The District is implementing procedures to ensure that deposits are made in accordance with the Ohio revised Code and District Policy.

**FINDING NUMBER 2004-002**

**Ohio Rev. Code Section 5705.41(D)** prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer’s certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: “then and now” certificates, blanket certificates, and super blanket certificates, which are provided for in Sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. **“Then and Now” certificate** – If the fiscal officer can certify that both at the time that the contract or order was made (“then”), and at the time that the fiscal officer is completing the certification (“now”), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the District can authorize the drawing of a warrant for the payment of the amount due. The District has thirty days from the receipt of the “then and now” certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the District.

**FINDING NUMBER 2004-002  
(Continued)**

2. **Blanket certificate** – Fiscal officers may prepare “blanket” certificates not exceeding \$5,000 (an amount established by resolution or ordinance adopted by the legislative authority, effective September 26, 2003) against any specific line item account over a period not exceeding three months (three month limitation was eliminated effective September 26, 2003) or running beyond the current year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. **Super Blanket certificate** – The District may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any one line item appropriation.

The District did not properly certify the availability of funds prior to purchase commitment for 33 out of 130 invoices tested or 25.4% of expenditures tested and there was no evidence that the District followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the District's funds exceeding budgetary spending limitations, we recommend that the District's Fiscal Officer certify that the funds are or will be available prior to the obligation by the District. When prior certification is not possible, “then and now” certification should be used.

The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The fiscal officer should sign the certification at the time the District incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The fiscal officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

### FINDING NUMBER 2004-003

**Ohio Rev. Code Section 9.38** states that public money must be deposited with the treasurer of the public office or to a designated depository on the business day following the day of receipt. Public money collected for other public offices must be deposited by the first business day of the week following the date of collection. If the amount of daily receipts does not exceed \$1,000 and the receipts can be safeguarded, public offices may adopt a policy permitting their officials who receive this money to hold it past the next business day, but the deposit must be made no later than three business days after receiving it. If the public office is governed by a legislative authority (counties, municipalities, townships, and school districts), only the legislative authority may adopt the policy.

The District's Athletic Department did not deposit monies in accordance with Revised Code. The following items were noted during the testing of receipts collected at the District's Welcome Stadium facility.

- 86 out of 98, or 87.8%, of concession receipts were not deposited in accordance with ORC Section 9.38. Additionally, \$241,296 out of a total of \$265,072 concession receipts were held for up to a month as the Concession Manager did not make regular deposits with the Treasurer's office.
- 18 out of 22, or 81.9%, of events that required ticket sales were not deposited in accordance with ORC Section 9.38. Additionally, \$31,695 out of a total of \$41,536 ticket receipts were being held by the Athletic Director to be deposited at a later date.
- Parking receipts that were reviewed were not deposited in accordance with ORC Section 9.38. Total amounts could not be determined as documentation was not maintained by the Athletic Department.
- The Athletic Department received \$2,000 on April 22, 2004 to be used as a change fund for ticket sales at Welcome Stadium. These monies were utilized during the spring 2004 track season and fall 2004 football season. The football season ended on October 29, 2004. The \$2,000 change fund was still located at Welcome Stadium on November 21, 2004 and was stolen when a theft of the safe occurred. The change fund should have been returned to the school since athletic activities had ceased.

Delays in depositing of public monies also resulted in possible loss of investment earnings and aided in the loss of public monies which occurred due to a theft at the Welcome Stadium facility. To provide better control over monies held on District sites, the District should develop and implement policies and procedures to require the timely deposit of all District monies collected by the Athletic Department. Additionally, all monies collected at the Districts Welcome Stadium Facility should be deposited with the District's Treasurer based on the guidelines in ORC Section 9.38.

**Client Response:** Revenues from ticket sales and parking will be deposited the same day of the event through night deposits. A police officer will escort the Dayton Public School employee making the deposit for security purposes. Concession stand receipts will be counted and deposited into the bank within 24 hours following the event. The Athletic Director will be required to maintain the necessary documentation to verify the total parking receipts for each individual event.

The Board will pass a resolution regarding the various change funds at Welcome Stadium. The resolution will determine the amount of change funds for events, when the change funds are to be issued, when the change funds are to be returned to the District, and the accounting requirements for the change funds. All cash will be kept in a walk-in vault until the deposit is made in accordance with the cash procedures. There will be random internal audits to ensure that all change fund and deposit policies are being followed without exception.



#### FINDING NUMBER 2004-004

**Ohio Rev. Code Section 149.351** states all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commission provided for under Ohio Revised Code Section 149.41.

The District failed to maintain all Parking Collection Settlement Sheets for parking receipts at the District's Welcome Stadium facility. Failure to retain adequate supporting documents for parking receipts could result in misappropriation or lack of accountability of District monies.

The District should develop and implement policies and procedures for retention of proper supporting documents for receipts of public monies. Implementing these procedures will aid the District in documenting a revenue trail to provide that all monies collected have been deposited with the Treasurer.

**Client Response:** The District will require the Athletic Director to maintain all Parking Collection Settlement Sheets for Welcome Stadium in compliance with the District's Record Retention Schedules.

#### FINDING NUMBER 2004-005

According to **District Policies file numbers IGDJ, DFE, and DFEA**, athletics in the high schools will be under the supervision of the Board of Control of Athletics (BCA). The BCA consists of the Superintendent, principal of each high school and two representatives of the Board of Education (full voting members) and the Director of Athletics (nonvoting member). The BCA's major responsibilities include:

- a) the general plan or organization and administration;
- b) the regulation and control of all athletics funds;
- c) the purchase, use and inventories of supplies and equipment;
- d) establishing uniform ticket prices, and procedures for the control and sharing of gate receipts at athletic contests.

The BCA did not develop and implement internal control policies and procedures for safeguarding athletic monies. Additionally, irregular meetings of the BCA resulted in a lack of oversight and guidance for the Athletic department which attributed to District monies being collected but unaccounted for.

The Board of Control of Athletics should meet regularly, review and perform their responsibilities to facilitate the operations of the Athletic department, and implement internal control policies and procedures for safeguarding athletic monies.

**Client Response:** The District is reconstructing the Board of Control of Athletics and is adding a voting member from the Treasurer's Office. The Board will meet on a regular basis and will review and perform their responsibilities to facilitate the operations of the Athletic Department. Meeting dates will be approved at the Dayton Board of Education's annual organization meeting.

#### FINDING NUMBER 2004-006

Certain deficiencies were noted in the District's policies and procedures in accounting for capital assets. To provide for completeness, accuracy, and consistency in accounting for capital assets, the District should amend its capital assets policy to address the following conditions:

- The District's written capital asset policy should specifically address the issue of depreciation in the year of acquisition and in the year of disposal;
- The Treasurer has increased the useful lives of buildings, however, there was no approval from the Board of Education. The Board of Education should approve the re-evaluation of the useful lives of buildings;
- The District should monitor the purchase and sale of real estate and buildings associated with the new construction. Review of the Board of Education's meeting minutes noted that real estate had been purchased but not included on capital asset listing and two buildings demolished had not been removed from the capital asset listing.
- It was also noted during testing of capital asset deletions that documentation supporting the approval of the deletions was not maintained and that 100% of fiscal year 2004 deletions tested were disposed of in previous fiscal years. This can result in misstating capital assets on the District's financial statements

The District should implement the above listed procedures to allow management to have greater accountability of capital assets for financial statement presentation purposes, for planning for capital asset replacement or acquisition, and for insurance claim purposes in the case of loss.

**Client Response:** The District will update its policies to address the issue of depreciation in the year of acquisition and disposal. The Board of Education will approve the Treasurer's re-evaluation of the useful lives of buildings. The District will verify that real estate and buildings are properly recorded on the capital asset listing. Documentation for capital asset deletions will also be maintained.

#### FINDING NUMBER 2004-007

The District's Athletic Department Welcome Stadium operation did not process all receipts and disbursements through the Treasurer's office or the purchasing and payroll systems. The following items were disclosed during the review of the Welcome Stadium operations:

- Individuals were hired by the Parking Manager and paid directly by the Parking Manager with cash collected from parking receipts. The Parking Manager and parking aides were not employed by the District, however these individuals collected cash on behalf of Welcome Stadium. The Parking Manager also took cash home if it became wet from the elements to dry before depositing with the Athletic Director.
- Replenishment of the concession stand inventory was not processed through the purchasing system. The Concession Manager utilized receipts from sale of goods to purchase the replenishment of inventory.

These findings resulted in the understatement of revenues and expenditures of Athletic funds, as well as possible expenditure of funds that are not for proper public purpose. Additionally, the payment of individuals outside of the purchasing or payroll system could also result in violation of various Internal Revenue Codes. Finally, these findings could result in the misappropriation of cash which would not be covered by the District's liability insurance policy.

**FINDING NUMBER 2004-007  
(Continued)**

The District should require all monies collected be deposited with the Treasurer and all disbursements of monies to utilize the District's purchasing and payroll systems. Additionally, all individuals handling District monies should be compensated through the District's purchasing or payroll system. By having the individuals compensated by the District, the individual would have liability insurance coverage as a safeguard for assets and personnel in case of an insurable incident.

**Client Response:** The Board will determine whether the Parking Manager and staff will be hired as District employees to be paid through payroll or whether a request for proposal will be generated for parking services. Accounting policies and procedures will be implemented to ensure that all receipts and expenses incurred by the District are properly processed through the Treasurer's department. Inventory for the concession stands will be processed through the purchasing system.

**FINDING NUMBER 2004-008**

The District's Welcome Stadium operation did not have adequate insurance or bonding coverage to cover loss or theft of public monies. After a theft of public monies from Welcome Stadium, the District learned that they were not covered by insurance for a robbery or safe burglary of other property. Further, District personnel handling public monies were not covered by employee bonding coverage.

This resulted in \$13,280 in public monies lost by theft being uninsured.

The District should review their insurance coverage and obtain an adequate amount of coverage for public monies that might be maintained on site. Additionally, the District should obtain employee bonding coverage for all District employees that will be collecting or securing public monies.

**Client Response:** The District is in the process of reviewing and updating their insurance coverage with Marsh to ensure that there is an adequate amount of coverage for any losses that may occur within the District's operations. The district is looking very closely at the policy coverage regarding theft.

**FINDING NUMBER 2004-009**

Segregation of duties is an internal control activity to help prevent or decrease the occurrence of undetected innocent errors or intentional fraud. This is done by ensuring that no single individual has control over all phases of the transaction processes; authorization, custody, and record keeping.

The District's Athletic Director contracted with the District for use of Welcome Stadium on behalf of the Ohio High School Athletic Association (OHSAA). The Athletic Director is hired by OHSAA to be the Tournament Director. The Athletic Director entered into the contract as the OHSAA Tournament Director and approved the contract as the District Athletic Director, thus, entering into a contract with himself as a representative of both OHSAA and the District.

The District's contract with OHSAA should be reviewed and approved by the Board of Education and have a member of the Board of Education or Board of Control of Athletics (BCA) sign off on the contract. Failure to provide oversight for Athletic contracts could result in the opportunity for misappropriation of assets or fraud. The Athletic Director should only enter into contracts on behalf of the OHSAA by having another District Board of Education member review and approve the contract.

**Client Response:** The Board of Education will review and approve all outside contracts for use of Welcome Stadium.

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
JUNE 30, 2004**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2003-001	Finding for Recovery – Victoria Long, \$7,288	No	Partially Corrected – District is receiving payments via court order
2003-002	ORC Sec. 5705.41(D) – Blanket purchase orders extending beyond the fiscal year	No	Partially Corrected – Repeated in the Management Letter

**DAYTON CITY SCHOOL DISTRICT**

**COMPREHENSIVE**

**ANNUAL FINANCIAL REPORT**

for the

**FISCAL YEAR ENDED JUNE 30, 2004**



Dayton, Ohio



**COMPREHENSIVE**  
**ANNUAL FINANCIAL REPORT**  
of the  
**DAYTON CITY SCHOOL DISTRICT**  
for the  
**FISCAL YEAR ENDED JUNE 30, 2004**

Prepared by

**TREASURER'S OFFICE**

Stanley E. Lucas  
Treasurer and Chief Financial Officer



115 South Ludlow Street  
Dayton, Ohio 45402

DAYTON BOARD OF EDUCATION  
JUNE 30, 2004



Gail A.  
Littlejohn, J.D.  
*President*



L. Anthony  
Hill  
*Vice President*



Ann Marie  
Gallin



E. Doniece  
Gatliff



Yvonne V.  
Isaacs



Clayton R.  
Luckie II



Tracy L.  
Rusch, Ph. D.



Percy A.  
Mack, Ph.D.  
*Superintendent*



Stanley E.  
Lucas  
*Treasurer*



# **INTRODUCTORY SECTION**



**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2004**

---

**TABLE OF CONTENTS**

INTRODUCTORY SECTION

Table of Contents .....	i
Letter of Transmittal .....	v
GFOA Certificate of Achievement .....	xx
ASBO Certificate of Excellence .....	xxi
Board Members – Elected Officials .....	xxii
Executive Cabinet Members .....	xxiii
Organizational Chart .....	xxiv

FINANCIAL SECTION

Independent Accountants’ Report.....	1
Management’s Discussion and Analysis.....	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets .....	13
Statement of Activities.....	15
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	16
Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities.....	17
Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds .....	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	19
Statement of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis) – General Fund.....	20
Statement of Fund Net Assets – Internal Service Funds.....	21
Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Funds .....	22
Statement of Cash Flows – Internal Service Funds .....	23

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2004**

---

**TABLE OF CONTENTS**

Statement of Assets and Liabilities – Agency Funds .....	24
Notes to the Basic Financial Statements .....	25
<i>Supplementary Information</i>	
Combining Statements and Individual Fund Schedules:	
Major Governmental Funds:	
Fund Descriptions .....	53
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance/Fund Equity – Budget to Actual (Budget Basis):	
Bond Retirement Fund .....	54
Classroom Facilities Fund .....	55
Building Fund.....	56
Nonmajor Governmental Funds:	
Fund Descriptions .....	57
Combining Balance Sheet – Nonmajor Governmental Funds .....	61
Combining Balance Sheet – Nonmajor Special Revenue Funds .....	62
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	73
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds .....	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	82
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance/Fund Equity – Budget to Actual (Budget Basis):	
Other Grant Rotary Fund.....	84
Public School Support Fund.....	85
Other Grant Fund.....	86
Computer Networks Fund .....	87
Classroom Maintenance Fund .....	88
District Managed Student Activities Fund .....	89

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2004**

---

**TABLE OF CONTENTS**

Auxiliary Services Fund.....	90
Teacher Development Fund .....	91
Management Information Systems Fund.....	92
Public School Preschool Fund.....	93
Entry Year Program Fund .....	94
Disadvantaged Pupil Impact Aid Fund.....	95
Data Communications Fund.....	96
SchoolNet Professional Development Fund.....	97
Textbooks/Instructional Material Subsidy Fund .....	98
Ohio Reads Fund.....	99
Summer Intervention Fund.....	100
Vocational Education Enhancement.....	101
Alternative Schools Fund .....	102
Miscellaneous State Grants Fund .....	103
Adult Basic Education Fund.....	104
Title VI-B Fund.....	105
Vocational Education Fund .....	106
Headstart Fund .....	107
Dropout Prevention and Intervention Fund.....	108
Title I Fund.....	109
Title VI Fund.....	110
Drug Free School Grant Fund .....	111
EHA Preschool Grant for the Handicapped Fund .....	112
E-Rate Grant Fund.....	113
Title VI-R Classroom Size Reduction Fund.....	114
Miscellaneous Federal Grants Fund .....	115
Special Trust Fund.....	116
Food Service Fund.....	117
Uniform School Supplies Fund .....	118
Permanent Improvement Fund .....	119
Replacement Fund.....	120
SchoolNet Plus Fund.....	121
Interactive Video Distance Learning Fund.....	122
School Building Assistance Limited Fund.....	123
 Internal Service Funds:	
Fund Descriptions .....	125
Combining Statement of Fund Net Assets – All Internal Service Funds.....	126
Combining Statement of Revenues, Expenses and Changes in Net Assets – All Internal Service Funds .....	127
Combining Statement of Cash Flows – All Internal Service Funds .....	128

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2004**

---

**TABLE OF CONTENTS**

Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes  
in Fund Equity – Budget to Actual (Budget Basis):

Warehouse Fund.....	129
Self-Insurance Fund .....	130

Fiduciary Funds:

Fund Descriptions .....	131
Combining Statement of Changes in Assets and Liabilities .....	132

STATISTICAL SECTION

Statistical Section Description .....	S1
District-Wide Governmental Activities Expenses – Last Two Fiscal Years .....	S2
District-Wide Governmental Activities Revenues – Last Two Fiscal Years .....	S3
Governmental Funds Expenditures by Function – Last Ten Fiscal Years .....	S4
Governmental Funds Revenues by Source – Last Ten Fiscal Years.....	S6
Property Tax Levies and Collections – Last Ten Calendar Years .....	S8
Assessed and Estimated Actual Value of Taxable Property – Last Ten Calendar Years.....	S10
Property Tax Rates – Direct and Overlapping Governments – Last Ten Calendar Years.....	S12
Computation of Legal Debt Margin – June 30, 2004.....	S14
Computation of Direct and Overlapping Debt – June 30, 2004.....	S15
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Fund Expenditures .....	S16
Ratio of Net General Obligation Bonded Debt to Assessed Value And Net General Obligation Debt per Capita – Last Two Fiscal Years .....	S17
Demographic Statistics – Last Ten Years .....	S18
Property Value, Construction Permits and Bank Deposits – Last Ten Years .....	S19
Principal Taxpayers – Real Estate Tax – December 31, 2003 .....	S20
Principal Taxpayers – Tangible Personal Property Tax – December 31, 2003 .....	S21
Principal Taxpayers – Public Utility Tax – December 31, 2003 .....	S22
Cost per Student – Last Ten Years.....	S23
Teacher Education and Experience – June 30, 2004.....	S24

**DAYTON BOARD OF  
EDUCATION**

Gail Littlejohn, President  
L. Anthony Hill, Vice President  
Ann Marie (Mario) Gallin  
E. Doniece Gatliff  
Yvonne Isaacs  
Clayton R. Luckie, II  
Tracy Rusch  
Ex-Officio Member: Courtney Rutledge



115 S. Ludow Street • Dayton, Ohio 45402-1812

**Percy A. Mack, Ph.D.**  
Superintendent of Schools  
(937) 542-3002  
Fax: (937) 542-3188

**Stanley E. Lucas**  
Treasurer  
(937) 542-3018  
Fax: (937) 542-3179

December 22, 2004

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Dayton City School District (the "district") for the fiscal year ended June 30, 2004, is hereby submitted. This report was prepared by the Treasurer's Office, and includes the Independent Accountants' Report. The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, remains with the district. To the best of our knowledge and belief, the data presented is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of operations of the district as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the district's financial affairs have been included.

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

The Comprehensive Annual Financial Report ("CAFR") is presented in three sections:

--The introductory section includes the table of contents, this letter of transmittal, a list of board members - elected officials, the district's organizational chart, a list of the Superintendent's executive cabinet, the Government Finance Officers Association (GFOA) Certificate of Achievement, and the ASBO Certificate of Excellence.

--The financial section includes the Independent Accountants' Report, the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the district's financial position and operating results, the Combining Statements by Fund Type, and other schedules providing detailed information relative to the Basic Financial Statements.

--The statistical section includes social and economic data, financial trends and the fiscal capacity of Dayton City School District.

The district's reporting entity has been defined in accordance with principles established by the Governmental Accounting Standards Board (GASB) Statement Number 14, *The Financial Reporting Entity*. A reporting entity is comprised of the primary government and its component units. The primary government consists of all funds, departments, agencies, institutions, commissions, and organizations that are not legally separate from the district. Component units are legally separate organizations that are fiscally dependent on the district or for which the district is financially accountable. The district currently does not include any component units in the financial statements.

The following entities, which conduct their activities near or within the district's boundaries or for the benefit of the district or its students, are excluded from the accompanying financial statements because they are autonomous and are not controlled or funded by the district:

City of Dayton  
Dayton Metro Library  
Montgomery County Government

## **GENERAL INFORMATION CONCERNING THE BOARD AND THE SCHOOL DISTRICT**

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

The Board of Education (the "Board") of the Dayton City School District is a political and corporate body charged with the responsibility of managing and controlling affairs of the district. The district is also governed by the general laws of the State of Ohio as set forth in the Ohio Revised Code. The Board is comprised of seven members who are elected for overlapping four-year terms. Gail Littlejohn has served the Board as President for three years. Her term expires December 31, 2005. L. Anthony Hill has served on the Board for five years, including three years as the current Vice President. Mr. Hill was recently re-elected to the Board and will serve until December 31, 2007. Ann Marie "Mario" Gallin has served on the Board for five years. Ms. Gallin was recently re-elected and will serve until December 31, 2007. E. Doniece Gatliff has served three years on the Board. Her term expires December 31, 2005. Yvonne V. Isaacs has served three years on the Board. Her term expires December 31, 2005. Clayton R. Luckie II has served on the Board for eight years.. Mr. Luckie was recently re-elected and will serve until December 31, 2007. Tracy L. Rusch, Ph.D. serves as the Board Parliamentarian and has served three years on the Board. Her term expires December 31, 2005.

The Superintendent of Schools (the "Superintendent"), appointed by the Board for a term not longer than five years, is the chief executive officer of the district and has the responsibility for directing and assigning teachers and other employees, assigning the pupils to the proper schools and grades, and performing such other duties as determined by the Board. The current Superintendent, Dr. Percy A. Mack, was appointed permanent Superintendent effective July 23, 2002. Dr. Percy Mack was the Superintendent of record for this reporting period.

The Treasurer is the chief financial officer of the Board and of the district and is, pursuant to statutory requirements, appointed by the Board for a four-year term (following a probationary two-year term) and reports directly to the Board. Stanley E. Lucas has served the district as the district's treasurer since July 1, 2002, and, therefore, was the Treasurer of record for this reporting period.



## The School District and Its Facilities

In 2003-2004, 17,463 students were enrolled compared to 18,163 students the previous year in the district's 32 elementary schools, 5 middle schools, 1 combination school enrolling grades 7 through 12, 1 alternative center and 5 high schools. The district has adopted magnet themes for most of its schools, which provide special curriculum and skills programs.

## Employee Relations and Benefits

The district currently has 1,925 certificated employees (1,492 teachers, 312 reserve teachers and 121 administrators) and 1017 classified employees (administrators, secretarial, clerical, custodial, and cafeteria workers, as well as bus drivers and other non-teaching, non-administrative personnel). Therefore, the district currently has approximately 2,942 full and part-time employees. In the fiscal year ended June 30, 2004, the district paid out from its general fund (disadvantaged pupil impact aid (DPIA) fund included) \$106,399,737 in salaries and \$32,236,020 in fringe benefits and other labor related costs such as employer retirement contributions, workers' compensation insurance coverage, unemployment compensation, life insurance, medical and dental insurance premiums.

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

The clerical employees are represented by the Ohio Association of Public School Employees, Clerical Chapter 158. The paraprofessional employees are represented by the Ohio Association of Public School Employees, Paraprofessional Chapter 643. The transportation employees are represented by the Ohio Association of Public School Employees, Transportation Chapter 627. The building trades employees are represented by the Dayton Building and Construction Trades Council, AFL-CIO. The custodial and food service employees are represented by the Dayton Public Service Union, Local #101, Ohio Council #8, AFSCME, AFL-CIO. The security resource officers are represented by the Dayton Public Service Union, Local #101, Ohio Council #8, AFSCME, AFL-CIO. Reserve teachers are represented by the Dayton Education Association. Educational interpreters are represented by the Ohio Association of Public School Employees Chapter 766. Psychologists are represented by Psychologists Local 766B, OAPSE AFSCME AFL-CIO. Lead child care teachers, mental health technicians, occupational therapists, and physical therapists are represented by OAPSE Local 191.

A collective bargaining agreement with the Dayton Education Association expires June 30, 2004. Collective bargaining agreements with the other bargaining units expire September 30, 2004 or later.

The district provides life insurance and accidental death and dismemberment insurance to employees through the Standard Insurance Company. The district provides health insurance coverage through the Humana. The employee share of the total health care premium ranges from fifteen percent to thirty percent of the monthly premium depending upon plan option and single/family contract selected. Dental insurance is provided to eligible employees through a self-insurance plan administered by Mutual Health Services or a premium based policy issued by Fortis or Ameritas.

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

to be made by the district in the future. The State Teachers Retirement System is applicable to all teachers, principals, supervisors and administrators who are required to hold a certificate issued by the State Department of Education. Other eligible employees are covered by the School Employees Retirement System. Pursuant to federal law, all district employees hired after March 31, 1986, are required to participate in the federal Medicare program, which currently requires employer and employee contributions each equal to 1.45 percent of the employee's wages subject to the FICA limit. Otherwise, district employees are not presently covered by the federal Social Security Act. The district's required contributions for pension obligations to the two retirement systems on behalf of its employees amounted to \$17,546,917 for the 2004 fiscal year.

## **ECONOMIC CONDITION AND OUTLOOK**

### Taxes

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

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

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

Generally, tangible personal property used in business (except for public utility) is currently assessed for taxation purposes at 25 percent of its true value. Beginning January 1, 2002, the assessment percentage applicable to inventory is reduced by one percentage point per year until it reaches zero (for tax years 2002 through 2006, the reduction will be made only if state-wide property tax collections increase over the prior year). Railroad operating property, inter exchange telecommunications property acquired by telephone companies after 1994, all property owned by rural electric and electric companies, except transmission and distribution property, and all property owned by natural gas companies is assessed at 25 percent of true value. Transmission and distribution property of electric companies (other than rural electric companies) and all other public utility tangible personal property is assessed at 88 percent of true value. To replace the money lost due to the lower assessment percentages, new state consumption taxes have been enacted.

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

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

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

### School Foundation

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

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

Last fiscal year the majority of the district's intergovernmental revenue came from the State of Ohio from the State Foundation Program, including DPIA. State Foundation monies will probably decrease due to lower public school enrollment and higher charter school enrollment.

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

This was the fifth time the Ohio Supreme Court majority has found the school funding unconstitutional. This was an ambiguous finish in an twelve-year legal battle about how the state should pay to educate its 1.8 million schoolchildren. The Court did not indicate any enforcement measures to ensure that the state administration overhauls the current system. Therefore, as of the date of these financial statements, the district is unable to determine the future impact of this decision on State funding and on its financial operations. See Note 16 of the Notes to the Basic Financial Statements for additional information.

## Local Economy

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

### *Economic Development*

The City of Dayton moved closer to the top 100 cities ranked in *Forbes* magazine's Best Places for Business and Careers in the United States. *Forbes'* ranking of the 150 largest metropolitan areas, in its sixth year, takes into account employee income, job growth, and costs of doing business, including process of labor, energy, taxes and office space. The magazine also factors in regional crime rates, qualifications of the available labor pool and housing costs. Economy.com, a West Chester, Pennsylvania based economic and financial research firm, helped *Forbes* compile the results.

### *Automotive Manufacturing*

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

Delphi Automotive Systems, with about 8,700 employees in the area, is now a separate company spun off from General Motors in early 1999. Delphi Automotive Systems designs and builds high-tech products in Dayton such as air bags, anti-lock disc brakes, and suspension systems. General Motors employs about 4,200 people in the Dayton area assembling sport utility vehicles and engines. DMAX, a General Motors-Isuzu joint venture has operations for a new truck diesel engine plant in Dayton. Honda of America has two automotive assembly plants and an engine plant all less than one hour's drive from Dayton.

### *Tooling & Machining*

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

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

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

In a parallel effort, the City of Dayton is implementing a segment of the Citiplan 20/20 Vision for the City's future. The plan calls for training, technology transfer, marketing and other value-added services to be located in a campus environment along with producing tooling and machining companies in a downtown redevelopment area.

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

A major catalyst for growth in the Dayton area has been and continues to be Wright-Patterson Air Force Base – an important and unique U.S. Air Force Base. The largest single-site employer in Ohio with 20,364 military and civilian employees, the Base is headquarters for the Aeronautical Systems Center (ASC) – the foremost aeronautical acquisition center in the U.S. Air Force

### *Technology Transfer*

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

### *Information Technology*

The information technology industry has a long history in Dayton. National Cash Register, now known as NCR is a worldwide leader in computer technology and applications. In addition, Reynolds and Reynolds, Lexis-Nexis and a host of other IT companies call the Dayton region home.

### *Distribution and Warehousing*

The worldwide transportation hub for Emery Worldwide shipping 4 million pounds of cargo daily makes the Dayton airport one of the nation's busiest cargo and freight airports. Airborne Express has a major hub in Wilmington (40 miles southeast of Dayton).

### *Higher Education Opportunities*

There are twenty-six institutions of higher education located within a ninety-mile radius of Dayton, providing not only a ready resource of highly qualified professional employees, but also educational programs and interdisciplinary research programs to support area businesses.

### *Dayton Area Economy*

The unemployment rate was 6.4 percent for the period ending June 30, 2004. As predicted, manufacturing employment contributed much of the increase in the unemployment rate. However, massive job loss announcements for service sector companies like NCR and retail headquarters Elder Beerman gave a new face to the roster of unemployed in the area.

The Dayton Area Chamber of Commerce expects the local unemployment rate to stabilize over the remainder of 2004 and show improvement moving into 2005.

## **MAJOR INITIATIVES**

### Strategic Plan

The district has adopted a Strategic Plan that guides its efforts for continuous improvement. Contained in this Strategic Plan is the official Mission Statement of the district. The Mission Statement of the district currently states that:

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

## School District Initiatives

Early in the 2001 calendar year, the district's Board and the Superintendent announced four district-wide strategic initiatives to position district students and staff for greater success. The initiatives provide a clear and consistent focus on student achievement, set high expectations for students and staff, and serve as the basis for future district decision-making over the next five years. The district's four strategic initiatives are literacy and mathematics, professional development, student behavior, and accountability. The district has adopted a literacy program to improve the level of reading and writing skills. Over the next five years with this program in place, the district plans to achieve an annual increase of five percent in the number of students who read on grade level by the end of the fourth grade and by the end of the eighth grade. Training in the district's mathematics program has been implemented and will continue. With student achievement as a central focus, professional development will be provided to all district personnel. The Student Code of Conduct has been revised to ensure uniform and consistent enforcement district-wide. The district has implemented alternative learning approaches that meet the needs of students with chronic behavior problems. A primary goal in the area of district accountability is to move out of academic emergency by the 2004-2005 school year. To achieve this, accountability measures will be developed to tie staff performance, in part, to student achievement.

Four new initiatives have been implemented: Equity, Parent and Family Involvement, Civic Capacity and Organizational Design and Development. The Equity initiative will ensure all that all students have the resources they need. This initiative calls for tracking concerns about racial and economic equity. The goal is to flow resources to schools that have particular obstacles such as high poverty rates that hinder efforts to provide instruction of equal quality compared to other district schools. The Parent and Family Involvement initiative is designed to strengthen partnerships between home and school by training volunteers and instituting more parent-school contacts. The Civic Capacity initiative goal is to nurture mutually beneficial school-community relationships. This concept aims to build partnerships with business, civic groups, non-profit organizations, colleges, churches and others in the community to support the district's academic goals. Initial tasks will be to devise a profile for a "successful Dayton Public Schools graduate" and a "strong neighborhood school" that school officials can use to shape future programs. The Organizational Design and Development initiative plans to ensure effective and efficient operations that support district goals. This initiative formalizes efforts to upgrade the district's management approach, promising revised job descriptions, new program manuals and improved accountability. These new measures are meant to enhance the original reform initiatives, rather than replace them.

## Comprehensive Improvement Plan

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

The district has been designated as a district in "Academic Emergency" according to the State of Ohio Report Card data. Last year, the district achieved one of the twenty-seven state indicators. However, the district's students made significant improvements in test scores on the Ohio Proficiency Test over the 2003 school year. With the district's current strong focus on reading, writing, mathematics and improving attendance, there is the expectation of additional improvements in 2005.

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

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

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

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

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

This financial report is a contribution to the satisfaction of a goal of the Strategic Plan, which is to ensure that the financial resources are aligned with the district objectives.

#### Information Technology Outsourcing and Systems Integration Agreement

The district is in its last year of a five-year agreement (three-year base with two one-year options to renew) with Broadwing Information Technology Solutions, dba Cincinnati Bell Technology Systems (CBTS), for information technology outsourcing and Systems integration. Broadwing was chosen as the prime vendor to manage the district's entire computing and technology operations.

The scope of work to be delivered to the district will be presented in five broad categories including systems management, integration consulting, systems integration options, operations, telecommunications, additional service and technology solutions. The scope of administrative systems support includes core financial applications, human resources, student information systems and network systems. The administrative system consists of a core set of integrated financial application modules including general ledger, budgeting, purchasing, accounts payable, accounts receivable, warehouse management and fixed assets. The administrative system also consists of a set of highly integrated personnel and payroll related application modules such as applicant tracking, personnel records, time and leave accounting, payroll, substitute (reserve) teacher management and position control. Functional components of the student information system include student demographics, enrollment and registration, scheduling, grade reporting, achievement history and transcripts, daily

and period attendance, discipline and central database. The network system has replaced the data distribution methods (multi-drop leased lines) employed by the IBM 4381/System 36 configuration with an AS/400 host. The local area network (LAN) infrastructure provides connectivity within administrative offices of each facility on the wide area network (WAN).

#### The Education Foundation Fund

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

### **FINANCIAL INFORMATION**

Pursuant to accounting procedures prescribed by the Ohio Revised Code and the Auditor of State, revenues and expenditures are recorded on a budgetary (cash) basis during the fiscal year. The accounting procedures prescribed by the Code are generally applicable to all school districts in Ohio and differ from generally acceptable accounting practices (GAAP) as promulgated by the Governmental Accounting Standards Board pronouncements and the Financial Accounting Standards Board pronouncements. GAAP requires a modified accrual basis of accounting for the governmental funds and a full accrual basis of accounting for proprietary funds, and for each major and aggregated non-major fiduciary funds. GAAP further requires balance sheets for each major and non-major fund, and statements of revenues and expenditures, and changes in fund balances (major and aggregated non-major governmental funds) or statements of revenues, expenses and changes in retained earnings (major and aggregated non-major proprietary funds) and statement of cash flows. GAAP also requires the preparation of a statement of net assets and a statement of activities for the entity's business type and government type activities on the full accrual basis of accounting, and management discussion and analysis of major events and transactions during the year.

Annual financial reports on a budgetary (cash) basis are prepared by the Treasurer and filed with the State Department of Education as required by State statute. The Ohio Auditor of State also requires that the district prepare and publish an annual financial report using generally accepted accounting principles (GAAP). This report is published to fulfill the requirements of the Ohio Auditor of State and therefore includes financial statements prepared using generally accepted accounting principles.

The focus of financial reporting is changing from straightforward stewardship reports that include only accountability information to a more corporate-style analysis of the long-term impact of management decisions. This change is mandated by the Governmental Accounting Standards Board Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The new model calls for financial statements to be integrated with government-wide reporting, enhanced fund reporting and management's discussion and analysis.

This is the third year the district has prepared financial statements following GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. GASB 34 requires new basic financial statements for reporting on the district's financial activities as follows:



### Government-wide Financial Statements

These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the district that are governmental and those that are considered business-type activities.

### Fund Financial Statements

These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

### Statement of Budgetary Comparisons

These statements present comparisons of actual information to, both the original and final amended, budget legally adopted by the district. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the district. This discussion follows this letter of transmittal, providing an assessment of the district's finances for the 2004 fiscal year and the outlook for the future.

### Financial Management System

The Comprehensive Information Management for Schools III, known by the acronym CIMS III, includes the following applications: Financial Management System (FMS); Employee Management System (EMS); Fixed Asset Inventory System (FAS); and Human Resource Management System (HMS).

The FMS and FAS applications were implemented in July 1997 and May 1998, respectively. Due to the specific requirements of the warehouse operation, Gateway warehouse software was chosen and is interfaced with the Financial Management System.

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

### Fiscal Management

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

## Budgeting and Appropriations Procedures

If a permanent appropriation measure is not ready for adoption at the beginning of each fiscal year, the Board adopts a temporary appropriation measure to begin that new fiscal year and by October 1<sup>st</sup> adopts a permanent appropriation measure for that fiscal year. Permanent appropriation measures may be, and generally are, amended or supplemented during the fiscal year. Annual appropriations may not exceed the County Budget Commission's official estimates of resources. The County Auditor must certify that the Board's appropriation measures, including any supplements or amendments, do not appropriate monies in excess of the amounts set forth in the latest of those official estimates. Certain exceptions are allowed as detailed in the Auditor of State Bulletin 97-012. Therefore, when an agency makes a grant to the district, the amount of the grant is deemed appropriated by the district even though the funds may not be collected or reflected in the estimate of resources during the fiscal year.

## Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. However, individual cost centers are budgeted at the beginning of the fiscal year and are monitored during the year to ensure budgetary compliance. The district maintains an encumbrance accounting system as one technique of accomplishing budgetary control at the account level. Unencumbered appropriation balances are reviewed prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year- end are carried forward to succeeding years and are not reappropriated.

## Internal Controls

The management of the district is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely derived from its implementation; and, (2) the valuation of cost and benefits requires estimates and judgments by management.

## Cash Management/Investment Policy

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

The district invests in various government securities, certificates of deposit, mutual funds and Star Ohio (State Treasury Investment Pool). The district interprets the limits on Federal guaranteed investments, bankers acceptances, commercial paper and all other legal investments very conservatively. No money of the district has ever been invested in interest-only obligations, reverse-purchase obligations, inverse floater obligations, or other investment vehicles commonly referred to as

derivative investments. No moneys of the district are invested in obligations which mature later than the time at which it reasonably expected that the district will need access to the money in order to meet current financial commitments. The Treasurer/CFO has attended special training in all of the investment areas to assure compliance with the conservative investment philosophy of the district. All investments are transacted with banks or other financial institutions operating in the state. The amount of investment income recorded for the district in fiscal year 2004 was \$4,460,091. A more detailed description of the district's investment functions is described in Note 5 to the financial statements.

### Risk Management

The district is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2002, the district contracted with Coregis Insurance Company for general liability insurance with a \$2,000,000 single occurrence limit and a \$2,000,000 aggregate. Buildings and contents were covered under Allianz Insurance Company with a \$250,000 deductible.

Electronic data processing equipment was covered under Fireman's Fund Insurance Company with a \$1,000 deductible.

The district's vehicles were covered under a business policy with Coregis Insurance Company for primary coverage. This policy carried deductibles that vary with the type of vehicle, however the physical damage to school buses were self-insured. This policy carries a \$1,000,000 limit for bodily injury and property damage. The district has excess automotive coverage with AGI Midwest Risk Specialists, Inc.) with a \$4,000,000 limit per occurrence.

Settled claims have not exceeded this commercial coverage in any of the past seven years. There have not been any significant reductions in insurance coverage from the previous year.

Pursuant to statutes enacted in 1985 and 2003, the liability of political subdivisions, including school districts in Ohio, has been significantly reduced. As a general rule, Ohio law provides that political subdivisions have immunity from liability in damages for injury, death, or loss to persons or property allegedly caused by an act or omission of such political subdivision or its employees in connection with governmental and proprietary functions. However, there are five areas in which a political subdivision may be held liable for loss. These include the negligent operation of a motor vehicle, negligent performance of proprietary functions, negligent failure to keep public roads in repair, and negligence of employees due to physical defects upon the grounds of the political subdivision. There is a two-year statute of limitations and limits on the damages that can be collected from a political subdivision. Also, no punitive or exemplary damages can be recovered.

The district participated in a retrospective rating plan for workers' compensation for calendar years 1992 and 1993. This plan allowed the district to pay a fraction of the premium it would otherwise pay as an experience related risk. To achieve the reduction in premium, the district agreed to assume a portion of the risk. In prior years, the district established an internal service fund to account for and finance its uninsured risk of loss. The liability for this is included within the governmental activities on the Statement of Net Assets. Beginning in calendar year 1994 the district returned to the workers' compensation experience based rating program and is charged a rate per \$100 of salaries.

The district is self-insured for dental claims for its employees. During fiscal year 1999, an internal service fund was created for this purpose. Mutual Health Insurance Company is the third party administrator that provides claims administration and payment services for the majority of the district's employees.

## **OTHER INFORMATION**

### Independent Audit

The district elected to have Betty Montgomery, the Auditor of State, as the district's independent auditor for fiscal year 2004. The Independent Accountants' Report is included in the Financial Section of this report.

### Awards

#### *GFOA Certificate of Achievement*

The Governmental Finance Officers Association of the United States and Canada is a nonprofit association serving approximately 14,000 governmental finance professionals. For the twelfth consecutive year, Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the district for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2003. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This honor is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

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

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

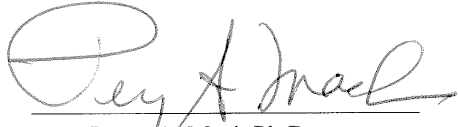
#### *ASBO Certificate of Excellence*

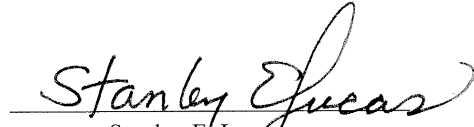
The Association of School Business Officials International, a professional organization founded in 1910, also presented the district with a Certificate of Excellence in Financial Reporting Award for the preparation and issuance of the fiscal year 2003 school system comprehensive annual financial report. 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 employees of Clark, Schaefer, Hackett & Co. 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.

  
Percy A. Mack Ph.D.  
Superintendent

  
Stanley E. Lucas  
Treasurer and Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Dayton City School District,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2003

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



*Nancy L. Zjelle*

President

*Jeffrey R. Emer*

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

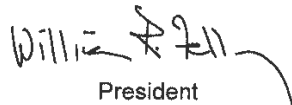


This Certificate of Excellence in Financial Reporting is presented to

**DAYTON CITY SCHOOL DISTRICT**

For its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2003

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

  
President

  
Executive Director

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

**BOARD MEMBERS-ELECTED OFFICIALS**  
**June 30, 2004**

---

<u>Name</u>	Began Service as a Board Member <u>January 1</u>	Term Expires <u>December 31</u>
Gail A. Littlejohn J.D., President	2002	2005
L. Anthony Hill, Vice President	2000	2007
Ann Marie Gallin	2000	2007
E. Doniece Gatliff	2002	2005
Yvonne V. Isaacs	2002	2005
Clayton Luckie II	1996	2007
Tracy L. Rusch Ph.D	2002	2005



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

**EXECUTIVE CABINET MEMBERS**  
**June 30, 2004**

---

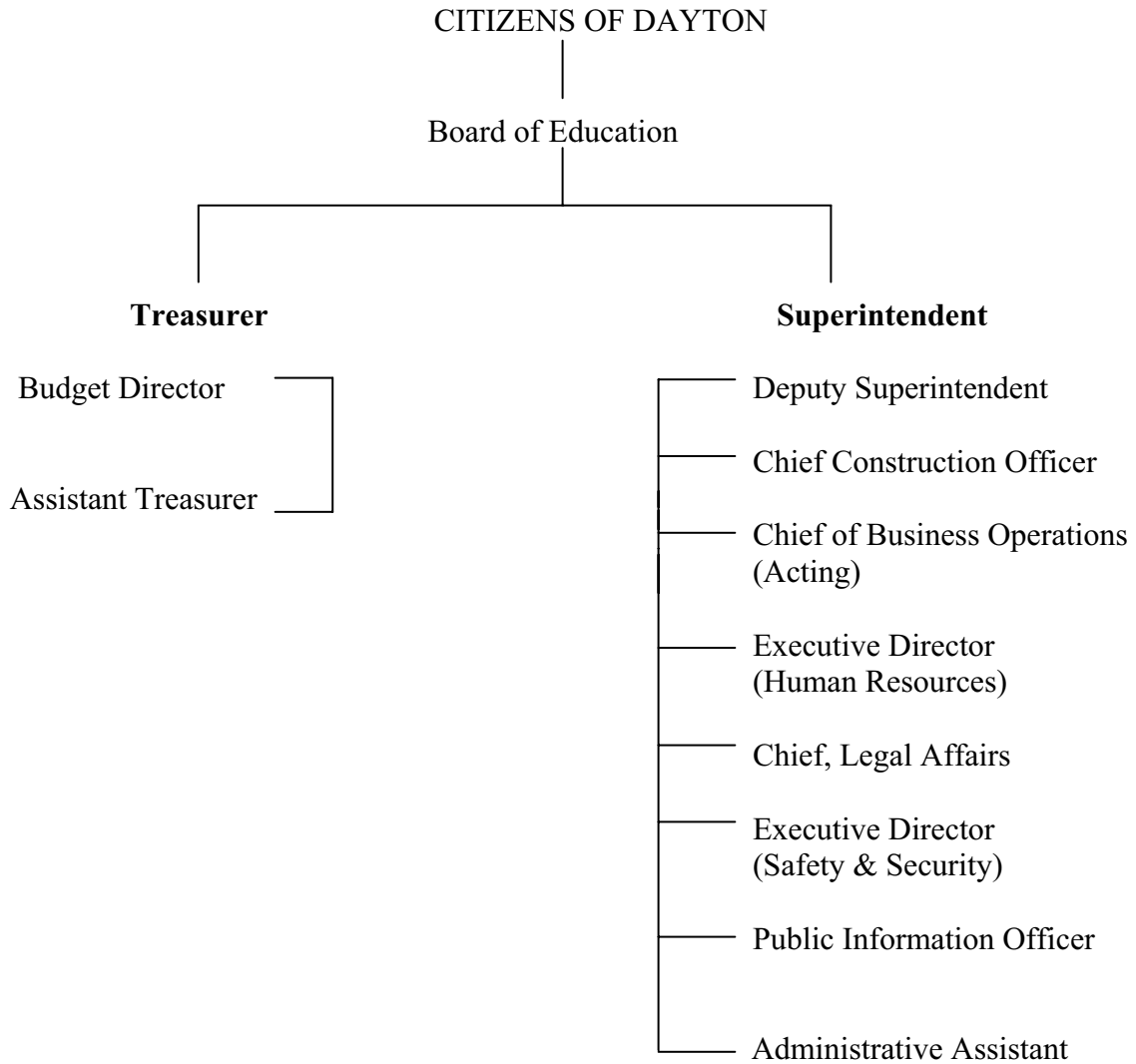
Percy A. Mack, Ph.D.	Superintendent
Stanley E. Lucas	Treasurer
Debra A. Brathwaite	Deputy Superintendent
John H. Carr, AIA	Chief Construction Officer
Robyn Essman	Budget Director
Larry Hoskins	Acting Chief of Operations
C. Benjamin Kirby	Executive Director, Safety & Security
John F. Lenehan	Chief of Legal Operations
Jill Moberley	Public Information Officer
Stacia A. Smith, Ph.D.	Associate Supt., Curriculum & Instruction
M. Edward Sweetnich	Executive Director, Human Resources
Colleen S. Wells	Administrative Assistant to the Superintendent

**DAYTON CITY SCHOOL DISTRICT**

**MONTGOMERY COUNTY, OHIO**

**ORGANIZATIONAL CHART**

**June 30, 2004**



## **FINANCIAL SECTION**





## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Dayton City School District  
Montgomery County  
115 South Ludlow Street  
Dayton, Ohio 45402-1812

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dayton City School District, Montgomery County, (the District), as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2004, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is 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 tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

December 22, 2004

# DAYTON CITY SCHOOL DISTRICT

Montgomery County, Ohio

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2004  
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, 2004. 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 2004 are as follows:

### *Overall:*

- Total net assets increased \$78.0 million, which represents 61.4 percent increase from fiscal year 2003. The majority of the increase is attributable to the School District recognizing \$60 million dollar receivable at June 30, 2004 associated with its school construction project.
- Total assets of governmental activities increased by \$19.2 million, attributed almost exclusively to the to the capitalization of a capital assets during fiscal year 2004, including a \$9 million administration building, over \$9 million in construction in progress associated with the school facilities construction project, and nearly \$3 million of new school busses.
- General revenues accounted for \$226.1 million or 61.9 percent of total revenue. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions account for \$139.2 million or 38.1 percent of total revenues of \$365.3 million.
- The \$28.8 million unreserved, undesignated ending fund balance reported in the General Fund represents 14.3 percent of the total General Fund expenditures reported for fiscal year 2004.
- During fiscal year 2004, the School District issued several various debt instruments to provide financing for the school facilities construction project and other capital projects, including, \$151.6 million of general obligation bonds, \$16.4 million of Certificates of Participation, and \$3.5 million of tax anticipation notes.

## Using this Comprehensive Annual Financial Report (CAFR)

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

The Statement of Net Assets and 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, Bond Retirement, Classroom Facilities, and Building Funds are reported as major funds.

# DAYTON CITY SCHOOL DISTRICT

Montgomery County, Ohio

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2004  
Unaudited

---

## **Reporting the School District as a Whole**

### *Statement of Net Assets and the Statement of Activities*

While this document contains a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2004?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

### *Fund Financial Statements*

The analysis of the School District's major funds begins on page 16. Fund financial reports provide detailed information about each major fund. The major funds of the School District include the General Fund, Bond Retirement Debt Service Fund, Classroom Facilities Capital Projects Fund and Building Capital Projects Fund. The School District uses many funds to account for a multitude of financial transactions. However, the fund financial statements focus on the School District's most significant funds, and therefore only the major funds are presented separate from the other governmental funds.

### Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual, 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 Assets 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, 2004  
Unaudited

---

**The School District as a Whole**

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. In the case of the Dayton City School District, assets exceeded liabilities by \$205.1 million at June 30, 2004.

Table 1 provides a summary of the School District's net assets for 2004 compared to 2003:

TABLE 1  
Net Assets (in 000's)

	<u>2004</u>	<u>2003</u>
<i>Assets</i>		
Current and Other Assets	\$ 579,722	\$ 578,749
Capital Assets	<u>41,015</u>	<u>22,750</u>
Total Assets	<u>620,737</u>	<u>601,499</u>
<i>Liabilities</i>		
Long-Term Liabilities	305,064	277,682
Other Liabilities	<u>110,623</u>	<u>196,747</u>
Total Liabilities	<u>415,687</u>	<u>474,429</u>
<i>Net Assets</i>		
Invested in Capital Assets, Net of Debt	22,001	17,935
Restricted	138,871	64,510
Unrestricted	<u>44,178</u>	<u>44,625</u>
Total Net Assets	\$ <u>205,050</u>	\$ <u>127,070</u>

Total assets reported at June 30, 2004 are \$19.2 million higher than the total assets reported at the end of fiscal year 2003. The primary reason for the increase in the School District's assets was the capitalization of the acquisition of a new administrative building (\$9.3 million), \$8.1 million of construction in progress and \$870,000 of land purchases associated with the School District's school facilities construction project, and the purchase of \$2.5 million of new school busses. The recognition of a \$60 million receivable associated with State funding for the school facilities construction project offset the decrease in cash realized during the fiscal year.

The increase in long-term liabilities is due to paying off short-term debt obligations issued in the prior fiscal year with long-term obligations issued during the current fiscal year.

Total net assets of the School District increased \$78.0 million for the net assets reported at June 30, 2003. Increases in net assets invested in capital assets (\$4.1 million) and restricted net assets (\$74.4 million) were responsible for the increase. Capitalized acquisitions and construction in progress activity were greater than current year depreciation which resulted in the increase of net assets invested in capital assets. Restricted net assets increased dramatically at June 30, 2004. The recognition of the \$60 million capital construction grant and increased state and federal funding for specific educational programs during the year accounted for this increase. Unrestricted net assets decreased slightly, one percent, from the unrestricted net asset amount reported at June 30, 2004.

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Management's Discussion and Analysis  
 For the Fiscal Year Ended June 30, 2004  
 Unaudited

Table 2 shows the key components in the changes in net assets for fiscal year ended June 30, 2004.

TABLE 2  
 Change in Net Assets (in 000's)

	<u>2004</u>	<u>2003</u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 6,160	\$ 5,390
Operating Grants and Contributions	53,248	36,363
Capital Grants and Contributions	79,833	1,105
General Revenues:		
Property Taxes	97,401	89,557
Grants and Entitlements	121,593	130,643
Other	<u>7,073</u>	<u>8,175</u>
Total Revenues	<u>365,308</u>	<u>271,233</u>
<b>Program Expenses</b>		
Instruction	103,512	104,714
Support Services:		
Pupils and Instructional Staff	29,670	25,586
Board of Education, Administration, Fiscal and Business	20,557	24,468
Plant Operation and Maintenance	33,902	21,879
Pupil Transportation	16,614	14,803
Central	9,242	14,064
Operation of Non-Instructional Services	13,808	13,578
Extracurricular Activities	1,444	1,737
Intergovernmental	44,690	31,108
Unallocated Depreciation	1,450	1,143
Interest and Fiscal Charges	<u>12,440</u>	<u>1,178</u>
Total Expenses	<u>287,329</u>	<u>254,258</u>
 Increase in Net Assets	 \$ <u>77,979</u>	 \$ <u>16,975</u>

During fiscal year 2004, total net assets increased by \$78.0 million or nearly three and a half times increase from the increase in net assets realized in fiscal year 2003. The significant difference between the changes in net assets realized in the two years can be attributed to the School District recognizing the \$60 million dollar receivable associated with the school facilities construction project. This receivable, along with revenue received during the fiscal year, also accounts for the significant increase in capital grants program revenue recorded in fiscal year 2004. Operating grants and contributions increased significantly in fiscal year 2004 due to increased fund of state and federal specific educational programs within the School District.

Property tax revenue recognized in fiscal year 2004 increased by \$7.8 million over the prior year. While actual tax collections realized during fiscal year 2004 decreased from the level realized in the prior fiscal year, the recognition of revenue associated with delinquent property taxes on the statement of activities resulted in the increase in property tax revenue.

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2004  
Unaudited

Despite the increases realized in property tax revenue, operating grants and capital grants during the fiscal year, the School District remains extremely dependent upon general intergovernmental revenues provided by the State of Ohio, as nearly all of the increases in the above noted revenue sources are restricted for specific purposes. and the federal government. Approximately 59 percent of the School District's general fund revenue was received from intergovernmental sources during fiscal year 2004.

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 2004 as compared to those recorded in fiscal year 2003. Net cost of services provided identifies the cost of these services supported by general revenues, including tax revenue and unrestricted state entitlements.

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

	2004		2003	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$ 103,512	\$ 77,752	\$ 104,714	\$ 89,904
Support Services:				
Pupils and Instructional Staff	29,670	14,533	25,586	17,634
Board of Education, Administration, Fiscal and Business	20,557	18,893	24,468	19,946
Plant Operation and Maintenance	33,902	(47,863)	21,879	21,753
Pupil Transportation	16,614	16,565	14,803	14,120
Central	9,242	8,347	14,064	12,581
Operation of Non-Instructional Services	13,808	308	13,578	801
Extracurricular Activities	1,444	973	1,737	1,232
Intergovernmental	44,690	44,690	31,108	31,108
Unallocated Depreciation	1,450	1,450	1,143	1,143
Interest and Fiscal Charges	<u>12,440</u>	<u>12,440</u>	<u>1,178</u>	<u>1,178</u>
Total Expenses	\$ <u>287,329</u>	\$ <u>148,088</u>	\$ <u>254,258</u>	\$ <u>211,400</u>

Of the \$33.1 million increase in total expense reported for fiscal year 2004, \$11.3 million is attributed to interest and fiscal expense associate with the debt issued for the school facilities construction project and other related capital projects. Additional changes in expenses include:

- Significant costs associated with updating and repair existing school facilities until the new school buildings are constructed resulted in higher expenses reported for the plant operation and maintenance function. The \$12 million increase in this function was not capitalized as these updates and repairs will not extend the useful lives of these facilities.
- The \$13.6 million increase in the intergovernmental function is associated with the every increasing amount of pass through funding the School District must provide to local community (charter) schools. For each pupil, who is eligible to attend Dayton City School District, that attends a charter school, the School District must pay the State determined per pupil funding amount. This not only includes the State funding portion, but also a portion of local revenues as well.

# DAYTON CITY SCHOOL DISTRICT

Montgomery County, Ohio

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2004  
Unaudited

---

- Reduction in the number of teaching personnel throughout the School District offset the increases in wages and benefits to account for the slight reduction in instructional expense.
- Additional pupil and instructional support cost associated with providing additional special education programs, as well as using support staff to supplement teaching personnel throughout the District.
- Additional administrative and fiscal expenses were recorded in fiscal year 2004 associated with the supervision of the school facilities construction project, primarily project management personnel and consulting services. In addition, workers' compensation rates which have been greatly reduced in recent years by the State of Ohio have continued to gradually increase over the past few years, resulting in additional expenses.

Significant increases in program revenue associated with operating grants and capital grants were realized during fiscal year 2004. As mention previously, the School District recognized \$60 million of State capital funding related to the school facilities construction project which was recorded as capital grant program revenue. Increase in funding for state and federal specific educational programs account for the increase realized in operating grants during fiscal year 2004.

## 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 spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Total ending fund balance reported for governmental funds at June 30, 2004 was \$376.9 million, an increase of \$23.8 million in comparison with the prior year. Approximately \$303.0 million of the ending fund balance is reported in funds associated with the school facilities construction project. Another \$21.7 million is reported in the debt service fund to be used to pay debt obligations as they become due. There was \$28.9 million reported as reservation of fund balance to indicate that it is already committed and not available for spending. The remaining fund balance is unreserved and available for spending at the discretion of the School District.

The General Fund is the operating fund of the School District. At June 30, 2004, the ending fund balance of the General Fund was approximately \$41.5 million of which, \$28.8 million was unreserved and undesignated. The \$28.8 million unreserved, undesignated ending fund balance represents 14.3 percent of the total General Fund expenditures reported for fiscal year 2004. The \$0.5 million increase in the General Fund balance from fiscal year 2003 can be attributed primarily to lower than expected tax collections as well as significantly higher pass through payments to charter schools which was offset by the decision to permanently transfer funds borrowed by the General Fund from the Education Foundation several years ago.

The School District's other three major funds are directly related to the school facilities construction project. The Bond Retirement Fund received property taxes and proceeds from the sale of bonds and notes to accumulate resources to pay debt service requirements as they come due. The Classroom Facilities Fund's increase was the result of intergovernmental grant revenue as well as proceeds from the sale of bonds to finance the construction project. The Building Fund is used account for the local initiatives associated with the construction project which has had little activity as of June 30, 2004.

# DAYTON CITY SCHOOL DISTRICT

Montgomery County, Ohio

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2004  
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 2004, the School District amended its general fund budget numerous times, none significant. As the School District received the unexpected cash receipts from the State of Ohio, it was necessary to adjust estimated resources and appropriations. Other revenue and expenditure line items were also reviewed.

For the General Fund, budget basis revenue was \$196.5 million as compared to the original budget estimates of \$187.0 million. This difference included tax revenues initially budgeted at \$78.0 million with budget basis revenues coming in at \$75.7 million. Increase delinquencies in paying property taxes attributes for the majority of the difference. Intergovernmental revenue was significantly higher than the original budget amount however projecting revenue to be received under the current State formula is difficult and subject to many changes throughout the year.

Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$163.3 million, which is approximately \$2.1 million less than final budget amounts and \$12.5 million higher than original budgeted amounts. Significant increases in the amount of funding the School District was required to pass through to charter schools, as well as increases in personnel costs, were the primary factors original budgeted expenditures were amended by nearly \$15 million over the course of fiscal year 2004.

## Capital Assets

At the end of fiscal year 2004, the School District had \$72.0 million invested in land, buildings, furniture and equipment, vehicles, and construction in progress in governmental activities.

The State of Ohio has determined that most of our school buildings are in need of remodeling or replacement based on the age and condition of the structures. A statewide revitalization program, which operates under the direction of the Ohio Schools Facilities Commission (established through Senate Bill 272) uses resources from state bond funds and the tobacco settlement funds to match local dollars so that eligible districts can remodel or rebuild their capital assets. The project still in its initial phase, however, certain costs including architectural and engineering services, land preparation, and other preliminary services totaling nearly \$13.0 million have been capitalized as construction in progress as of June 30, 2004. The overall cost of the construction project is estimated at \$625 million with construction taking place over the next ten years.

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2004  
Unaudited

---

Table 4 shows fiscal year 2004 balances compared to those of fiscal year 2003:

Table 4  
Capital Assets at June 30 (in millions)

	<u>2004</u>	<u>2003</u>
Land and Improvements	\$ 4.2	\$ 3.3
Building and Improvements	37.3	28.2
Equipment	7.4	7.6
Vehicles	11.0	9.3
Construction in Progress	12.1	4.0
Less: Accumulated Depreciation	<u>(31.0)</u>	<u>(29.7)</u>
Totals	\$ <u>41.0</u>	\$ <u>22.7</u>

Overall, net capital assets increased approximately \$18 million from fiscal year 2003. Increases in capital assets consisted of the acquisition of a new administration office building (\$9.3 million), land acquisition (\$870,000) and construction in progress (\$8.1 million) associated with the school facilities program, and the purchase of nearly \$2.5 million worth of new school busses.

Additional information on the School District's capital assets can be found in Note 8 to the basic financial statements.

**Debt Administration**

At the end of fiscal year 2004, the School District had \$289.6 million of outstanding long-term debt obligations, of which \$10.8 million is due within one year. Significant elements of the School District's outstanding long-term debt obligations include:

- \$263.3 million in general obligations school facilities construction and improvement bonds and related unamortized bond premiums.
- \$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.
- \$3.5 million of long-term tax anticipation notes issued in anticipation of the collection of the permanent improvement levy approved by voters in 2002. These notes will be repaid over the course of the next ten years.

## **DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2004  
Unaudited

---

The School District maintains a "Aaa" rating from Moody's, "AAA" rating from Standards and Poor's and Fitch for general obligation debt.

Additional information on the School District's long-term obligations can be found in Note 13 to the basic financial statements.

### **For the Future**

A decline in personal tangible property tax has been a five-year trend for the Dayton Public School District. Just-in-time inventory and the inventory assessment rate have been cited as two of the major factors contributing to this revenue reduction. The business practice of just-in-time inventory allows companies to reduce their inventory, which results in less personal property tax reported. Previously, the assessed value on inventory was 25 percent but in January 2002, legislation was enacted for the assessed valuation to be reduced by 2 percent per year until the valuation reaches zero. To further impact the district's revenue, in December 2003, the state legislature began the ten-year phase out of the tangible personal property tax \$10,000 exemption reimbursement.

With the anticipation of declining tax revenues, the Dayton Public School Board approved a reduction in employment cost of \$7.3 million to the general operating fund beginning in fiscal year 2005. Attrition and transfers of positions to state or federal funding streams achieved the majority of these cost reductions. As a result of the 2003 school closings and building consolidations and the change in employment cost, the District plans to end fiscal year 2007 with a general operating fund cash balance of \$14.9 million.

During 2002, the Board of Education in conjunction with the Ohio School Facilities Commission (OSFC) approved a \$628 million Master Facilities Building Program to renovate or build 34 schools. The citizens of Dayton overwhelmingly passed a \$245 million bond levy in November 2002 that provides 39 percent of the program cost with the remaining 61 percent contributed by OSFC. Groundbreakings have taken place at Bellehaven, Cleveland, Kiser and Wogaman schools and construction should be completed during 2006. The program establishes 28 pre k – 8 elementary schools that will allow the district to return to neighborhood schools. In addition, there will be a school of performing arts, a career technical high school and four academic high schools.

Over the past five years total public school enrollment in the District has remained at 23,000 students. There has been a shift in enrollment during the past three years from Dayton Public Schools to the publicly funded community schools. During fiscal year 2004 community school enrollment increased by 800 for a total of 5500 students resulting in a transfer of over \$40 million dollars to the community schools. The District recognizes the need to stabilize enrollment and is embarking on an aggressive marketing campaign. Initiatives such as this along with the District's on going educational reform plan and building program is expected to attract students to the district.

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

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

DAYTON  N

---

PUBLIC SCHOOLS



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

STATEMENT OF NET ASSETS  
JUNE 30, 2004

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 373,484,137
Receivables:	
Property and other taxes	115,765,905
Accounts	166,209
Intergovernmental	72,435,652
Accrued Interest	329,429
Inventory of supplies and materials	335,313
Inventory held for resale	997,370
Prepaid items	699,964
Cash and cash equivalents with fiscal agents	669,045
Deferred Charges	2,439,198
Restricted Assets:	
Equity in pooled cash and cash equivalents	12,400,000
Depreciable capital assets, net	24,738,671
Non-depreciable capital assets	16,275,971
Total Assets	620,736,864
Liabilities:	
Accounts payable	4,923,597
Accrued wages and benefits payable	7,217,232
Intergovernmental payable	7,337,107
Accrued interest payable	1,204,546
Matured compensated absences	405,891
Claims payable	306,506
Deferred revenue	89,228,170
Long Term Liabilities:	
Due within one year	11,884,229
Due in more than one year	293,180,162
Total Liabilities	415,687,440
Net Assets:	
Invested in capital assets, net of related debt	22,001,233
Restricted for:	
Special revenue	11,685,508
Capital projects	105,417,330
Debt service	14,467,574
Other purpose	7,300,000
Unrestricted	44,177,779
Total Net Assets	205,049,424

See accompanying notes to the basic financial statements.

DAYTON  N

---

PUBLIC SCHOOLS

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

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2004

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
Expenses	Charges for services & sales	Operating grants and contributions	Capital grants and contributions	Total Governmental Activities	
Governmental Activities:					
Instruction:					
Regular	61,781,861	1,026,650	9,972,635	-	(50,782,576)
Special	33,296,804	864,493	12,297,493	-	(20,134,818)
Vocational	5,915,039	-	1,100,480	-	(4,814,559)
Adult/Continuing	1,017,637	38,306	460,264	-	(519,067)
Other	1,500,713	-	-	-	(1,500,713)
Support Services:					
Pupils	11,741,172	-	7,615,695	-	(4,125,477)
Instructional staff	17,929,198	2,473	7,519,414	-	(10,407,311)
Board of education	433,358	-	-	-	(433,358)
Administration	14,587,381	-	1,623,380	-	(12,964,001)
Fiscal	3,214,000	-	39,695	-	(3,174,305)
Business	2,321,963	-	-	-	(2,321,963)
Operation and maintenance of plant	33,902,014	527,419	1,453,929	79,783,308	47,862,642
Pupil transportation	16,613,992	-	-	49,130	(16,564,862)
Central	9,241,713	-	894,228	-	(8,347,485)
Operation of non-instructional services	13,807,736	3,228,825	10,271,044	-	(307,867)
Extracurricular activities	1,444,007	471,282	-	-	(972,725)
Intergovernmental	44,689,965	-	-	-	(44,689,965)
Interest and fiscal charges	12,440,143	-	-	-	(12,440,143)
Unallocated depreciation *	1,449,773	-	-	-	(1,449,773)
Total Governmental Activities	287,328,469	6,159,448	53,248,257	79,832,438	(148,088,326)
General Revenues:					
Property taxes levied for:					
General purposes				79,123,532	
Debt service				16,296,989	
Capital projects				990,348	
Other purposes				990,348	
Grants and entitlements not restricted to specific programs				121,593,221	
Investment earnings				4,460,091	
Miscellaneous				2,613,108	
Total General Revenues				226,067,637	
Changes in net assets				77,979,311	
Net assets at beginning of year				127,070,113	
Net assets at end of year				205,049,424	

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

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
**COMBINED BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2004**

	General Fund	Bond Retirement	Classroom Facilities	Building	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>						
Equity in Pooled Cash and Cash Equivalents	\$ 38,420,342	\$ 20,951,697	\$ 228,161,435	\$ 67,441,365	\$ 17,459,942	\$ 372,434,781
Cash and Cash Equivalents:						
With Fiscal Agent	-	-	-	-	669,045	669,045
Receivables:						
Taxes - Current	78,336,119	13,266,396	-	-	1,671,038	93,273,553
Taxes - Delinquent	18,333,784	3,718,043	-	-	440,525	22,492,352
Accounts	148,346	-	-	-	17,863	166,209
Intergovernmental	56,408	-	60,936,962	-	11,442,282	72,435,652
Interest	16,973	-	276,084	33,392	2,980	329,429
Due from Other Funds	1,825,139	-	-	-	22,824	1,847,963
Prepaid Items	696,989	-	-	-	2,975	699,964
Inventory of Supplies and Materials	335,313	-	-	-	-	335,313
Inventory Held for Resale	-	-	-	-	160,240	160,240
Restricted Assets:						
Equity in Pooled Cash and Cash Equivalents	7,300,000	-	5,100,000	-	-	12,400,000
<b>Total Assets</b>	<u>\$ 145,469,413</u>	<u>\$ 37,936,136</u>	<u>\$ 294,474,481</u>	<u>\$ 67,474,757</u>	<u>\$ 31,889,714</u>	<u>\$ 577,244,501</u>
<u>Liabilities and Fund Balances:</u>						
<u>Liabilities:</u>						
Accounts Payable	\$ 2,134,190	\$ -	\$ -	\$ 12,086	\$ 2,710,174	\$ 4,856,450
Accrued Wages and Benefits	5,663,545	-	-	15,650	1,511,271	7,190,466
Intergovernmental Payable	2,373,500	-	-	14,962	604,248	2,992,710
Due to Other Funds	7,596	-	463	545	1,839,331	1,847,935
Deferred Revenue	93,519,846	16,195,458	61,213,046	33,392	12,092,183	183,053,925
Compensated Absences Payable	265,515	-	-	-	140,376	405,891
<b>Total Liabilities</b>	<u>103,964,192</u>	<u>16,195,458</u>	<u>61,213,509</u>	<u>76,635</u>	<u>18,897,583</u>	<u>200,347,377</u>
<u>Fund Balances:</u>						
<u>Reserved for:</u>						
Encumbrances	1,204,337	-	7,688,594	1,560,649	5,868,738	16,322,318
Supplies Inventory	335,313	-	-	-	160,240	495,553
Property Taxes	3,167,030	788,523	-	-	88,934	4,044,487
Prepaid Items	696,989	-	-	-	2,975	699,964
Contingencies	7,300,000	-	-	-	-	7,300,000
<u>Unreserved, Undesignated:</u>						
General Fund	28,801,552	-	-	-	-	28,801,552
Special Revenue Funds	-	-	-	-	1,480,471	1,480,471
Debt Service Fund	-	20,952,155	-	-	-	20,952,155
Capital Projects Funds	-	-	225,572,378	65,837,473	5,390,773	296,800,624
<b>Total Fund Balances</b>	<u>41,505,221</u>	<u>21,740,678</u>	<u>233,260,972</u>	<u>67,398,122</u>	<u>12,992,131</u>	<u>376,897,124</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 145,469,413</u>	<u>\$ 37,936,136</u>	<u>\$ 294,474,481</u>	<u>\$ 67,474,757</u>	<u>\$ 31,889,714</u>	<u>\$ 577,244,501</u>

See accompanying notes to the basic financial statements

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2004

Total Governmental Fund Balances:		\$ 376,897,124
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		40,961,057
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	22,492,352	
Interest	329,867	
State and federal grants	10,066,574	
School construction grants	60,936,962	
		93,825,755
Bond issuance costs associated with bonds payable, are recorded as a deferred charged on the accrual basis but are not reported in the funds.		2,439,198
Internal service funds are used by management to charge the costs of operating the central warehouse and providing dental insurance to the individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.		1,668,644
Long-term liabilities which are not due and payable in the current period and therefore are not reported in the funds.		
Long-term notes payable	(3,500,000)	
General obligation bonds	(251,055,000)	
Premium on G.O. bonds	(12,226,257)	
Certificates of participation	(16,360,000)	
QZAB bonds	(10,000,000)	
Accrued interest on long-term obligations	(1,204,546)	
Compensated absences	(8,831,965)	
Intergovernmental payable	(4,323,345)	
Capital leases payable	(3,091,169)	
Claims payable	(150,072)	
Total		(310,742,354)
Net Assets of Governmental Activities		\$ 205,049,424

**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, 2004

	General Fund	Bond Retirement	Classroom Facilities	Building	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes	\$ 77,955,017	\$ 13,920,737	\$ -	\$ -	\$ 1,699,767	\$ 93,575,521
Intergovernmental	116,641,756	1,615,129	18,846,346	-	57,194,167	194,297,398
Interest	919,179	466,198	1,964,097	640,981	211,948	4,202,403
Tuition and Fees	1,388,200	-	-	-	27,683	1,415,883
Rentals	527,419	-	-	-	-	527,419
Charges for Services	171,771	-	-	-	3,255,085	3,426,856
Gifts and Donations	2,996	-	-	-	2,486	5,482
Extracurricular Activities	-	-	-	-	789,290	789,290
Miscellaneous	1,083,110	-	30,333	825	1,498,840	2,613,108
<b>Total Revenues</b>	<b>198,689,448</b>	<b>16,002,064</b>	<b>20,840,776</b>	<b>641,806</b>	<b>64,679,266</b>	<b>300,853,360</b>
<b>Expenditures:</b>						
<b>Current:</b>						
<b>Instruction:</b>						
Regular	51,198,684	-	-	-	10,740,659	61,939,343
Special	19,116,312	-	-	-	14,019,545	33,135,857
Vocational	5,200,083	-	-	-	694,674	5,894,757
Adult/Continuing	398,825	-	-	-	608,017	1,006,842
Other Instruction	1,500,713	-	-	-	-	1,500,713
<b>Support Services:</b>						
Pupils	7,044,065	-	-	-	4,685,516	11,729,581
Instructional Staff	8,922,706	-	-	-	8,765,817	17,688,523
Board of Education	420,250	-	-	-	-	420,250
Administration	11,925,249	-	-	-	2,544,386	14,469,635
Fiscal	2,990,009	1,535,949	-	32,677	379,981	4,938,616
Business	1,298,464	-	-	109,073	-	1,407,537
Plant Operation and Maintenance	20,502,031	-	-	-	1,848,220	22,350,251
Pupil Transportation	15,895,918	-	-	-	45,801	15,941,719
Central	7,742,962	-	-	140,476	1,096,899	8,980,337
<b>Non-Instructional Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,564,279</b>	<b>13,564,279</b>
Extracurricular Activities	816,419	-	-	-	588,361	1,404,780
Capital Outlay	3,876,136	-	13,202,324	12,246,512	2,976,435	32,301,407
Intergovernmental	41,147,390	-	-	-	3,542,575	44,689,965
<b>Debt Service:</b>						
Principal Retirement	645,429	151,555,000	-	-	18,466	152,218,895
Interest and Fiscal Charges	157,608	11,073,193	-	-	4,796	11,235,597
<b>Total Expenditures</b>	<b>200,799,253</b>	<b>164,164,142</b>	<b>13,202,324</b>	<b>12,528,738</b>	<b>66,124,427</b>	<b>456,818,884</b>
<b>Excess of Revenues Over(Under)</b>						
Expenditures	(2,109,805)	(148,162,078)	7,638,452	(11,886,932)	(1,445,161)	(155,965,524)
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Capital Assets	38,259	-	-	-	-	38,259
Proceeds from Sale of Bonds	-	151,555,000	-	-	-	151,555,000
Proceeds from Sale of Debt	-	-	-	16,360,000	-	16,360,000
Proceeds from Sale of Long-term Notes	-	-	-	-	3,500,000	3,500,000
Premium on Issuance of Bond	-	8,325,688	-	-	-	8,325,688
Transfers-In	3,000,000	-	70,449,040	47,585,258	2,358,539	123,392,837
Transfers-Out	(389,868)	(98,949,867)	(21,053,102)	-	(3,000,000)	(123,392,837)
<b>Total Other Financing Sources (Uses)</b>	<b>2,648,391</b>	<b>60,930,821</b>	<b>49,395,938</b>	<b>63,945,258</b>	<b>2,858,539</b>	<b>179,778,947</b>
<b>Net Change in Fund Balance</b>	<b>538,586</b>	<b>(87,231,257)</b>	<b>57,034,390</b>	<b>52,058,326</b>	<b>1,413,378</b>	<b>23,813,423</b>
<b>Fund Balance at Beginning of Year</b>	<b>40,966,635</b>	<b>108,971,935</b>	<b>176,226,582</b>	<b>15,339,796</b>	<b>11,578,753</b>	<b>353,083,701</b>
<b>Fund Balance at End of Year</b>	<b>\$ 41,505,221</b>	<b>\$ 21,740,678</b>	<b>\$ 233,260,972</b>	<b>\$ 67,398,122</b>	<b>\$ 12,992,131</b>	<b>\$ 376,897,124</b>

See accompanying notes to the basic financial statements

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

Net Change in Fund Balances - Total Governmental Funds \$ 23,813,423

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

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

Capital asset additions	20,964,709	
Current year depreciation	<u>(2,386,172)</u>	
Total		18,578,537

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

Proceeds from sale of capital assets	(38,259)	
Loss on disposal of capital assets	<u>(265,948)</u>	
Total		(304,207)

Revenues in the statement of activities that do not provide current financial resources are not as revenues in the funds.

Taxes	3,825,696	
Interest	(268,304)	
State and federal grants	(565,926)	
School construction grants	<u>60,936,962</u>	
Total		63,928,428

In governmental funds, proceeds from sale of debt is considered a source of financing, but in the statement of net assets, the debt obligations are reported as a liability.

Long-term notes	(3,500,000)	
Certificates of participation	(16,360,000)	
General obligations bonds	<u>(151,555,000)</u>	
Total		(171,415,000)

In the statement of activities, certain costs and proceeds associated with long-term debt obligations issued during the year are accrued and amortized over the life of the debt obligation. In governmental funds these costs and proceeds are recognized as financing sources and uses.

Bond issuance costs	1,389,596	
Premium on bonds issued	<u>(8,325,688)</u>	
Total		(6,936,092)

Repayment of long-term debt obligation principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 152,218,895

Some expenses reported in the statement of activities, such as compensated absences and inter-governmental payable which represents contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Intergovernmental payable	53,341	
Compensated absences payable	(386,885)	
Accrued interest	(1,204,546)	
Amortization of bond issuance costs	(100,070)	
Amortization of bond premium	<u>525,992</u>	
Total		(1,112,168)

Internal service funds are used by management to charge the costs of operating the central warehouse and providing dental insurance to the individual funds are not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net expense of the internal service fund is allocated among the governmental activities. (792,505)

Change in Net Assets of Governmental Activities \$ 77,979,311

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GENERAL FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final Revised		
<b>Revenues:</b>				
Taxes	\$ 78,039,047	\$ 83,330,983	\$ 75,719,542	\$ (7,611,441)
Intergovernmental	105,196,233	112,329,736	116,585,348	4,255,612
Interest	845,750	903,101	919,179	16,078
Tuition and Fees	1,202,393	1,283,929	1,369,567	85,638
Charges for Services	429,900	459,052	488,329	29,277
Rentals	223,506	238,662	253,883	15,221
Miscellaneous	1,023,171	1,092,555	1,162,324	69,769
<b>Total Revenues</b>	<b>186,960,000</b>	<b>199,638,018</b>	<b>196,498,172</b>	<b>(3,139,846)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	48,564,528	53,272,500	52,594,425	678,075
Special	17,583,843	19,288,467	19,042,955	245,512
Vocational	4,895,183	5,369,735	5,301,387	68,348
Adult/Continuing	368,631	404,367	399,220	5,147
Other Instruction	1,691,050	1,854,985	1,831,374	23,611
<b>Support Services:</b>				
Pupils	6,633,034	7,276,058	7,183,445	92,613
Instructional Staff	8,411,833	9,227,298	9,109,849	117,449
Board of Education	454,145	498,171	491,830	6,341
Administration	10,931,986	11,991,761	11,839,125	152,636
Fiscal	2,770,398	3,038,967	3,000,286	38,681
Business	1,805,844	1,980,907	1,955,693	25,214
Operation and Maintenance of Plant	19,603,948	21,504,406	21,230,689	273,717
Pupil Transportation	14,937,801	16,385,911	16,177,344	208,567
Central	7,751,173	8,502,592	8,394,367	108,225
Extracurricular Activities	753,424	826,462	815,942	10,520
Capital Outlay	3,643,882	3,997,129	3,946,252	50,877
<b>Total Expenditures</b>	<b>150,800,703</b>	<b>165,419,716</b>	<b>163,314,183</b>	<b>2,105,533</b>
<b>Excess of Revenues Over(Under)</b>				
Expenditures	36,159,297	34,218,302	33,183,989	(1,034,313)
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	40,000	35,966	38,259	2,293
Pass Through Payments	(37,994,589)	(41,677,884)	(41,147,390)	530,494
Advances-In	1,000,000	1,171,921	1,246,662	74,741
Advances-Out	(1,536,039)	(1,684,947)	(1,663,500)	21,447
Transfers-Out	(359,996)	(394,894)	(389,868)	5,026
<b>Total Other Financing Sources (Uses)</b>	<b>(38,850,624)</b>	<b>(42,549,838)</b>	<b>(41,915,837)</b>	<b>634,001</b>
<b>Excess of Revenues and Other Financing Sources Over(Under)</b>				
Expenditures and Other Financing Uses	(2,691,327)	(8,331,536)	(8,731,848)	(400,312)
<b>Fund Balance at Beginning of Year</b>	<b>46,698,183</b>	<b>46,698,183</b>	<b>46,698,183</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>4,409,787</b>	<b>4,409,787</b>	<b>4,409,787</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 48,416,643</b>	<b>\$ 42,776,434</b>	<b>\$ 42,376,122</b>	<b>\$ (400,312)</b>

See accompanying notes to the basic financial statements



**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
STATEMENT OF FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
JUNE 30, 2004

	Governmental Activities
	Internal Service Funds
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 1,049,356
Inventory Held for Resale	837,130
Total Current Assets	1,886,486
Capital Assets, Net	53,585
Total Assets	1,940,071
<u>Liabilities:</u>	
Accounts Payable	67,147
Accrued Wages and Benefits	26,766
Intergovernmental Payable	21,052
Due to Other Funds	28
Claims Payable	156,434
Total Current Liabilities	271,427
Total Liabilities	271,427
<u>Net Assets:</u>	
Invested in Capital Assets	53,585
Unrestricted	1,615,059
Total Net Assets	\$ 1,668,644

See accompanying notes to the basic financial statements

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Governmental Activities
	Internal Service Funds
Operating Revenues:	
Charges for Services	1,279,011
Materials and Supplies	845,629
Total Operating Revenue	2,124,640
Operating Expenses:	
Salaries and Wages	535,774
Fringe Benefits	175,043
Purchased Services	7,573
Claims	1,221,194
Cost of Sales	967,637
Depreciation	9,924
Total Operating Expenses	2,917,145
Change in Net Assets	(792,505)
Net Assets - Beginning of Year	2,461,149
Net Assets - End of Year	\$ 1,668,644

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, 2004

	Governmental Activities
	Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities:	
Cash Received from Quasi-External Transactions with other funds	\$ 2,124,640
Cash Payments to Suppliers for Goods and Services	(859,559)
Cash Payments to Employees for Services	(509,008)
Cash Payments for Employee Benefits	(169,441)
Cash Payments for Claims	(1,243,046)
Net Cash Used in Operating Activities	(656,414)
Net Decrease in Cash and Cash Equivalents	(656,414)
Cash and Cash Equivalents Beginning of Year	1,705,770
Cash and Cash Equivalents End of Year	\$ 1,049,356
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:	
Operating Loss	\$ (792,505)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:	
Depreciation	9,924
Changes in Assets and Liabilities	
Decrease in Inventory Held for Resale	103,992
Decrease in Accounts Payable	(3,819)
Increase in Accrued Wages and Benefits	26,766
Increase in Intergovernmental Payable	21,052
Increase in Due to Other Funds	28
Decrease in Claims Payable	(21,852)
Net Cash Used in Operating Activities	\$ (656,414)

See accompanying notes to the basic financial statements

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUNDS  
JUNE 30, 2004

	<u>Agency Funds</u>
Assets:	
Equity in Pooled Cash	\$ 9,789,416
Intergovernmental Receivable	<u>608</u>
Total Assets	<u><u>\$ 9,790,024</u></u>
Liabilities:	
Accounts Payable	\$ 8,401
Due to Students	124,187
Undistributed Monies	<u>9,657,436</u>
Total Liabilities	<u><u>\$ 9,790,024</u></u>

See accompanying notes to the basic financial statements

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

---

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

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

The School District is the 6th largest in the State of Ohio (among 612 school districts) in terms of enrollment. It is staffed by 1,925 certificated employees (1,804 teaching personnel and 121 administrative personnel) and 1,017 classified employees who provide services to student enrollment totaling 17,463.

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

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

The following activities are included within the reporting entity:

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

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

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

## DAYTON CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

---

### ***A. Basis Of Presentation***

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

#### Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service funds was eliminated to avoid "doubling up" revenues and expenses.

The statement of net assets presents the financial condition of the governmental activities of the School District at year-end. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities.

Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

#### Fund Financial Statements

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

### ***B. Fund Accounting***

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories governmental, proprietary, and fiduciary.

#### Governmental Funds

Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The School District has four major governmental funds; the General Fund, the Bond Retirement Debt Service Fund, and the Classroom Facilities and Building Capital Project Funds.

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

---

General Fund

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

Bond Retirement Fund

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

Classroom Facilities Fund

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

Building Fund

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

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

Proprietary Fund

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

Internal Service Funds

Internal service funds account for the financing of services provided by one department or agency to other department or agencies of the School District on a cost reimbursement basis. The School District has two internal service funds; one accounts for the operations of the central warehouse and distribution facility and the other accounts for the self-insurance program which provides dental benefits to employees.

# DAYTON CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

---

## Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. 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. The School District has no funds which are classified as trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has only one agency fund which accounts for the monies managed on behalf of the student managed activities throughout the District.

## *C. Measurement Focus*

### Government-wide Financial Statements

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

### Fund Financial Statements

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

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

## *D. Basis of Accounting*

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



**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

---

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, operating and capital grants, investment earnings, tuition, and student fees.

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2004, but which were levied to finance fiscal year 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

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.

***E. Budget Data***

All funds, other than agency funds and the Educational Foundation special revenue fund, are legally required to be budgeted and appropriated. During fiscal year 2004, no budget was legally adopted for the following special revenue funds: the School Improvement Model, Career Development, and National Defense Education Act. These funds did not have any budget basis transactions occurring during the fiscal year.

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

---

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue, are identified by the School District. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2004.

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

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

To improve cash management, cash received by the School District is pooled in a central bank account. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the balance sheet. The School District utilizes a fiscal agent to handle money set aside in the education foundation special revenue fund. In addition, the School District has deposited money in a trust account for the future repayment of bond obligations as they become due. This balance is presented on the balance sheet as "Restricted Assets - Cash and Cash Equivalents" and represents deposits and short-term investments.

During fiscal year 2004, investments were limited to various government securities, certificates of deposit, mutual funds, repurchase agreements and STAR Ohio.

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2004.

The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2004 amounted to \$919,179, which includes \$337,798 assigned from other School District funds. Interest was also recorded in the Bond Retirement, Classroom Facilities, Building and non-major funds in the amounts of \$466,198, \$1,964,097, \$640,981 and \$211,948, respectively. On the accrual basis of accounting, the School District reported investment earnings of \$4,460,091 on the Statement of Activities.

For purposes of the statement of cash flows and for presentation on the financial statement, 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 considered to be cash equivalents.

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

---

***G. Inventory***

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

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

***H. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2004, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed. Reported prepaid items are equally offset by a fund balance reserve in the governmental funds, which indicates that it does not constitute available resources even though it is a component of net current assets.

***I. Restricted Assets***

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets represent a contingency reserve required to be established per the desegregation lawsuit settlement agreement. See Note 17 for additional information.

***J. Estimates***

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

***K. Capital Assets and Depreciation***

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

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

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

---

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

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

***L. Interfund Activity***

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

***M. 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.

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 fifteen years of current service with the School District.

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

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

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

---

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions 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 year. Long-term notes, general obligation bonds, and capital leases are recognized as a liability on the governmental fund financial statements when due.

***O. 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-insured dental program. Operating expenses for the internal service funds include the cost of goods sold from the warehouse, cost of managing and delivering those goods, and claims paid from the self-insured dental program. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

***P. Net Assets***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

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

***Q. Fund Balance Reserves***

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

The reserve for property taxes represents taxes recognized as revenue under accounting principles generally accepted in the United States of America but not available for appropriation under State statute. The reserve for contingencies was established pursuant to the desegregation lawsuit settlement agreement that required \$7.3 million of the funds received through the settlement to be placed into a contingency reserve account to fund future academic improvement strategies.

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

---

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

***A. Accountability***

The following funds have fund equity deficits as of June 30, 2004:

	<u>Fund Deficit</u>
Special Revenue:	
Teacher Development	\$ 81,377
Disadvantaged Pupil Impact Aid	834,138
Summer Intervention	101,589
Vocational Education Enhancement	1
Adult Basic Education	7,027
Title VI-B	121,310
Vocational Education	7,740
Dropout Prevention and Intervention	15,621
Title I	14,575
Drug Free School Grant	200,021
EHA Preschool Grant for the Handicapped	464
Miscellaneous Federal Grants	7,620

The deficits in these special revenue funds resulted from adjustments for accrued liabilities. Management expects the deficits in these funds to be corrected in early fiscal year 2005. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

***B. Legal Compliance***

During the fiscal year ended June 30, 2004, the School District was not in compliance with Ohio Rev Code § 5705.41(D) by not properly certifying expenditures in advance. This noncompliance had no effect on the School District's financial statements.

**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 (Non-GAAP Basis) and Actual - General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the fund liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

---

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

Net Change in Fund Balance General Fund	
GAAP Basis	\$ 538,586
Revenue Accruals	(2,191,276)
Expenditure Accruals	(323,796)
Advances	(416,838)
Transfers	(3,000,000)
Encumbrances	<u>(3,338,524)</u>
Budget Basis	<u>\$ (8,731,848)</u>

**NOTE 5 - DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the School District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the School District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts. Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation 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;

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, debt interest rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements."

***Deposits:*** At year-end, the carrying amount of the School District's deposits was \$103,811,846 and the bank balance was \$106,931,029. \$500,000 of the bank balance was covered by federal depository insurance and remaining balance was uninsured and uncollateralized. Although all state statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

***Investments:*** The School District's investments are required to be categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District's investments in mutual funds and STAR Ohio, an investment pool operated by the Ohio State Treasurer, are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Category 2	Category 3	Carrying/ Fair Value
U.S. Government Securities	\$281,652,076	\$ -	\$ 281,652,076
Repurchase Agreement	-	921,350	921,350
Star Ohio			2,601,108
Mutual Funds – KeyTrust			7,356,218
Total	<u>\$281,652,076</u>	<u>\$ 921,350</u>	<u>\$ 292,530,752</u>



**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

The classification of cash and cash equivalents, and investments on the financial statements is based on criteria set forth in GASB Statement No. 9 entitled "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting." A reconciliation between the classifications of cash and cash equivalents and investments on the basic financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$ 396,342,598	\$ -
Investments:		
U.S. Government Securities	(281,652,076)	281,652,076
Repurchase Agreement	(921,350)	921,350
Mutual Funds	(7,356,218)	7,356,218
STAR Ohio	(2,601,108)	2,601,108
GASB Statement 3	<u>\$ 103,811,846</u>	<u>\$ 292,530,752</u>

**NOTE 6 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis while the School District 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, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2004 for real and public utility property taxes represents collections of calendar 2003 taxes. Property tax payments received during calendar 2004 for tangible personal property (other than public utility property) is for calendar 2004 taxes.

2004 real property taxes are levied after April 1, 2004, on the assessed value as of January 1, 2004, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2004 public utility property taxes became a lien December 31, 2003, are levied after April 1, 2004, and are collected in 2004 with real property taxes.

2004 tangible personal property taxes are levied after April 1, 2004, on the value as of December 31, 2003. Collections are made in 2004. Tangible personal property assessments are twenty-five percent of true value.

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. The assessed values upon which fiscal year 2004 taxes were collected are:

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

---

	<u>2004 First Half Collections</u>		<u>2003 Second Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$1,712,346,690	81.49%	\$1,699,403,530	78.63%
Public Utility	109,740,800	5.22%	108,173,280	5.01%
Tangible Personal Property	<u>279,165,476</u>	<u>13.29%</u>	<u>353,726,646</u>	<u>16.36%</u>
Total Assessed Value	<u>\$2,101,252,966</u>	<u>100.00%</u>	<u>\$2,161,303,456</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$70.85		\$70.85	

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, 2004, are available to finance fiscal year 2004 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2004. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. For the governmental fund financial statements, the receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance was recognized as revenue. On the Statement of Activities, the delinquent taxes that were levied in previous years are recognized as revenue.

The amount available as an advance at June 30, 2004, was \$3,167,030, \$788,523 and \$88,934 in the General, Bond Retirement and non-major funds, respectively.

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2004, consisted of current and delinquent property taxes, accrued interest, accounts (rent and student fees), intergovernmental grants and interfund transactions. 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 fiscal year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
<u>Governmental Activities:</u>	
General Fund miscellaneous receivables	\$ 56,408
Classroom facilities capital grants	60,936,962
Miscellaneous federal grants	2,400,244
Drug Free Schools grant	4,497,165
Title I grant	1,347,025
Headstart grant	972,184
Food Service reimbursement grants	507,741
Other Non-major Funds	<u>1,717,923</u>
Total Intergovernmental Receivables	<u>\$72,435,652</u>

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

The \$61 million intergovernmental receivable recorded in the Classroom Facilities Capital Project Fund at June 30, 2004 consists of amounts committed by the State of Ohio to the School District for the school facilities construction project currently underway. Under this program, the State approves the projects, and associated funding, in different segments. Total State funding for the project was originally set at \$357.5 million and the first two segments approved by the State total \$60.9 million. The remaining \$296.6 million of State capital grants will be approved as the project progresses.

**NOTE 8 - CAPITAL ASSETS**

	Balance 6/30/03	Additions	Deductions	Balance 6/30/04
<b><u>Capital Assets, not being depreciated</u></b>				
Land	\$ 3,321,165	\$ 870,800	\$ -	\$ 4,191,965
Construction in Progress	3,998,557	8,085,449	-	12,084,006
	<u>7,319,722</u>	<u>8,956,249</u>	<u>-</u>	<u>16,275,971</u>
<b><u>Capital Assets, being depreciated</u></b>				
Buildings and Improvements	28,173,496	9,270,000	(154,332)	37,289,164
Furniture and Equipment	7,624,046	257,946	(452,242)	7,429,750
Vehicles	9,295,945	2,480,514	(746,254)	11,030,205
	<u>45,093,487</u>	<u>12,008,460</u>	<u>(1,352,828)</u>	<u>55,749,119</u>
<b><u>Less: Accumulated Depreciation</u></b>				
Buildings and Improvements	(19,066,701)	(1,522,833)	154,332	(20,435,202)
Furniture and Equipment	(4,610,929)	(448,239)	464,308	(4,594,860)
Vehicles	(5,985,343)	(425,024)	429,981	(5,980,386)
	<u>(29,662,973)</u>	<u>(2,396,096)</u>	<u>* 1,048,621</u>	<u>(31,010,448)</u>
Governmental Activities Capital Assets, Net	<u>\$ 22,750,236</u>	<u>\$ 18,568,613</u>	<u>\$ (304,207)</u>	<u>\$ 41,014,642</u>

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

Instruction:	
Regular	\$ 43,329
Special	21,539
Vocational	10,631
Support Services:	
Pupil	12,910
Instructional Staff	39,292
Administration	48,872
Fiscal	1,821
Business	34,087
Operation and Maintenance of Plant	49,402
Pupil Transportation	399,437
Central	211,164
Operation of Non-Instructional Services	35,749
Extracurricular Activities	37,202
Capital Outlay	887
	<u>946,322</u>
Unallocated Depreciation	1,449,774
Total Depreciation Expense	<u>\$ 2,396,096</u>

Unallocated depreciation is depreciation of the individual school buildings throughout the 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.

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

---

**NOTE 9 - RISK MANAGEMENT**

***A. Property and Liability***

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2004, the School District contracted with Coregis Insurance Company for general liability insurance with a \$2,000,000 single occurrence limit and a \$2,000,000 aggregate. Buildings and contents are covered under Allianz Insurance Company with a \$250,000 deductible.

Electronic data processing equipment is covered under Fireman's Fund Insurance Company with a \$1,000 deductible.

The School District's vehicles are covered under a business policy with Coregis Insurance Company for primary coverage. This policy carries a \$1,000,000 limit for bodily injury and property damage. Deductibles vary according to vehicle type. The School District has excess coverage with AGI Midwest Risk Specialists, Inc. with a \$4,000,000 limit per occurrence.

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

***B. Workers' Compensation***

For calendar years 1992 and 1993, the School District elected to take advantage of the workers' compensation plan being offered by the State of Ohio. This plan, called retrospective rating, allows the School District to pay a fraction of the premium it would pay as an experience-rated risk.

Retrospective rating constitutes a step closer to self-insurance. In the retrospective rating plan, the School District agrees to assume a portion of the risk in return for a possible reduction in premiums. The greater the percentage of the risk the School District assumes, the greater the potential reduction in premium. If the School District's loss experience is better than predicted by the experience-rating system, its premium obligation will be less than what it would have paid under experience rating. If its experience is worse than predicted, its premium obligation will be more than it would have been assessed under experience rating, limited to the maximum premium. The School District has assumed the risk for individual claims up to a maximum claim of \$250,000. The School District has also agreed to pay all claims up to a maximum of 200% of what the School District would have paid had the School District remained an experience-rated risk.

Claims exceeding these limits will be paid by the State. Each plan year, the District pays the State a "minimum premium" for retaining the risk of having to pay claims which exceed the School District's maximum claims limits. For each year the School District elects the retrospective rating plan for workers' compensation, liability is attached for ten years.

The School District has hired a third-party administrator, Care Works to review and monitor all claims on behalf of the School District. In 1993, the School District established a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. Beginning in fiscal year 1999, the School District decided to account for its uninsured risks of loss in the general fund.

All claims processing is done by the State. The State initially pays all claims and then bills the School District. The claims liability reported at June 30, 2004, represents the liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, based on an estimate provided by the Bureau of Workers' Compensation.

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

The following schedule shows claim activity for fiscal years 2003 and 2004:

<u>Year</u>	<u>Beginning Balance</u>	<u>Claims</u>	<u>Payments</u>	<u>Ending Balance</u>
2003	\$341,928	\$0	\$191,856	\$150,072
2004	\$150,072	\$0	\$0	\$150,072

During fiscal year 2004 there were no claims paid. In fiscal year 2003 the State paid \$191,856 in claims on behalf of the School District. The amount of unpaid claims still owed to the state at June 30, 2004, is presented on the Statement of Net Assets as claims payable.

For calendar years 1995, through 2004, the School District went back to the workers' compensation experience based rating program and is charged a rate per \$100 of salaries.

The School District is self-insured for dental benefits. This plan provides dental plans with a \$25 deductible per each person. A third party administrator, Mutual Health Services reviews the majority of claims, which are then paid by the School District. The School District purchases stop-loss coverage of \$5,000 per employee. The School District pays the employees benefits self insurance internal service fund \$22.15 per month for single employees and \$55.46 per employee per month for family plans which represents a portion of the entire premium required. This premium is paid by the fund that pays the employee's salary and is based on historic cost information.

The liability for unpaid claims of \$156,434 reported in the fund at June 30, 2004, as estimated by an analysis of claim payments, is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for claims, including incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

The fund's claim liability amount in fiscal years 2003 and 2004 were:

<u>Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2003	\$183,857	\$1,208,363	\$1,213,934	\$178,286
2004	\$178,286	\$1,199,342	\$1,221,194	\$156,434

**NOTE 10 - DEFINED BENEFIT PENSION PLANS**

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

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

## DAYTON CITY SCHOOL DISTRICT

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

---

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2004, 2003 and 2002 were \$5,633,844, \$5,087,782 and \$4,894,440 respectively; 49.91 percent has been contributed for fiscal year 2004 and 100 percent for fiscal years 2003 and 2002.

### ***B. State Teachers Retirement System***

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 may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for 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 dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2004, plan members were required to contribute 10.0 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

---

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2004, 2003, and 2002 were \$11,842,603, \$10,787,207, and \$10,310,582 respectively; 100 percent has been contributed for each of the fiscal years. Contributions to the DC and Combined Plans for fiscal year 2004 were \$70,470 made by the School District and \$166,417 made by the plan members.

**NOTE 11 – POSTEMPLOYMENT BENEFITS**

State Teachers Retirement System of Ohio (STRS Ohio) provides comprehensive healthcare benefits to retirees and their dependents. Coverage includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Ohio Revised Code (R.C.), the State Teachers Retirement Board (the Board) has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. The R.C. grants authority to STRS Ohio to provide health care coverage to benefit recipients, spouses and dependents. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll.

The Retirement Board allocates employer contributions to the Health Care Reserve Fund from which health care benefits are paid. For fiscal year ended June 30, 2004 the Board allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$2.8 billion on June 30, 2003 (the latest information available). For the School District, this amount equaled \$850,934 during the 2004 fiscal year.

For the year ended June 30, 2003, net health care costs paid by STRS Ohio were \$352,301,000. There were 108,294 eligible benefit recipients.

For SERS, the Ohio Revised Code gives the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Effective January 1, 2004, all retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility and retirement status. A safety net is in place for retirees whose household income falls below federal poverty levels. Premiums are reduced by 50 percent for those who apply.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2004, the allocation rate is 4.91 percent. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit.

For fiscal year 2004 the minimum pay was established at \$24,500. For the School, the amount to fund health care benefits, including the surcharge, was \$3,151,022 for fiscal year 2004.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2004, were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004, the Retirement System's net assets available for payment of health care benefits of \$300.8 million. The number of benefit recipients currently receiving health care benefits is approximately 62,000.

**DAYTON CITY SCHOOL DISTRICT**  
Montgomery County, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004

---

**NOTE 12 - EMPLOYEE BENEFITS**

***A. Compensated Absences***

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

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

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

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

***B. Health Care Benefits***

The District provides life insurance and accidental death and dismemberment insurance to employees through Standard Insurance Company. The District provides health insurance coverage through United Health Care of Ohio, Inc. Employee share of the total premium ranges between fifteen percent to twenty percent of the monthly premium up to the cap. The premium varies with each employee depending on the terms of the union contract. Dental insurance is provided to aid eligible employees through a self-insurance plan administered by Mutual Health Services, the third party administrators, or a premium based policy issued by Fortis or Ameritas.



**DAYTON CITY SCHOOL DISTRICT**  
 Montgomery County, Ohio  
 Notes to the Basic Financial Statements  
 For the Fiscal Year Ended June 30, 2004

**NOTE 13 - LONG-TERM OBLIGATIONS**

General Obligation Bonds

In fiscal year 2004, the School District issued general obligation bonds totaling \$151.555 million to finance the repayment of bond anticipation bonds issued in the prior fiscal year. These serial bonds have a final maturity date of December 1, 2022 with interest rates ranging from 2.0 percent to 5.0 percent.

In the prior fiscal year, the School District issued general obligation bonds totaling \$99.5 million, in two issues, to provide financing for the School District's school facilities construction project. The Series 2003-A bonds, totaling \$93.5 million, contains serial and term bonds has a final maturity date of December 1, 2031 and has interest rates ranging from 2.0 percent to 5 percent. The \$6 million Series 2004-B bonds are serial bonds with a final maturity date of December 1, 2023 having interest rates ranging from 2.0 percent to 4.23 percent.

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

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

Fiscal Year Ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 10,625,000	\$ 11,290,616	\$ 21,915,616
2006	4,870,000	11,135,666	16,005,666
2007	5,415,000	11,032,816	16,447,816
2008	5,500,000	10,879,291	16,379,291
2009	5,675,000	10,698,216	16,373,216
2010 – 14	35,230,000	49,235,368	84,465,368
2015 – 19	45,440,000	39,624,655	85,064,655
2020 – 24	53,080,000	27,234,687	80,314,687
2025 – 29	49,370,000	15,256,969	64,626,969
2030 – 32	35,850,000	2,747,250	38,597,250
Total	<u>\$ 251,055,000</u>	<u>\$ 189,135,535</u>	<u>\$ 440,190,535</u>

Certificates of Participation

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

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

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

Fiscal Year Ended June 30,	Principal	Interest	Total
2005	\$ 155,000	\$ 823,607	\$ 978,607
2006	180,000	820,258	1,000,258
2007	200,000	816,157	1,016,157
2008	225,000	810,764	1,035,764
2009	250,000	803,795	1,053,795
2010 – 14	1,735,000	3,844,596	5,579,596
2015 – 19	2,790,000	3,323,582	6,113,582
2020 – 24	4,380,000	2,325,744	6,705,744
2025 – 29	6,445,000	895,781	7,340,781
Total	<u>\$ 16,360,000</u>	<u>\$ 14,464,284</u>	<u>\$ 30,824,284</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 in an escrow account with a local bank. This amount is included in the restricted cash and cash equivalents on the Statement of Net Assets, as well as the Classroom Facilities Capital Project Fund.

Long-Term Tax Anticipation Notes

On June 9, 2004 the School District issued \$3.5 million of long-term tax anticipation notes to provide financing for various capital improvements throughout the 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.

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2005	-	125,253	125,253
2006	350,000	121,695	471,695
2007	350,000	108,885	458,885
2008	350,000	96,075	446,075
2009	350,000	83,265	433,265
2010 – 14	1,750,000	224,175	1,974,175
2015	350,000	6,405	356,405
Total	<u>\$ 3,500,000</u>	<u>\$ 765,753</u>	<u>\$ 4,265,753</u>

**DAYTON CITY SCHOOL DISTRICT**  
 Montgomery County, Ohio  
 Notes to the Basic Financial Statements  
 For the Fiscal Year Ended June 30, 2004

Changes in Long-Term Liabilities

Long- term liability activity for the year ended June 30, 2004, was as follows:

	Balance June 30, 2003	Increase	Decrease	Balance June 30, 2004	Due within One Year
<u>General Obligation Bonds:</u>					
2003-A School Construction: 2.0-5.0%	\$ 93,500,000	\$ -	\$ -	\$ 93,500,000	\$ 5,000
2003-B School Construction: 2.0-4.23%	6,000,000	-	-	6,000,000	230,000
2003-D School Construction: 2.0-5.0%	-	151,555,000	-	151,555,000	10,390,000
Add: Unamortized Bond Premium	4,426,561	8,325,688	525,992	12,226,257	-
Total General Obligation Bonds	103,926,561	159,880,688	525,992	263,281,257	10,625,000
QZAB Bonds – 0%	10,000,000	-	-	10,000,000	-
Bond Anticipation Bonds – 2%	151,555,000	-	151,555,000	-	-
Certificates of Participation	-	16,360,000	-	16,360,000	155,000
Long-Term Tax Anticipation Notes	-	3,500,000	-	3,500,000	-
Capital Leases	3,755,064	-	663,895	3,091,169	644,229
Compensated Absences	8,445,080	792,776	405,891	8,831,965	460,000
Long-Term Obligations	<u>\$277,681,705</u>	<u>\$180,533,464</u>	<u>\$153,150,778</u>	<u>\$305,064,391</u>	<u>\$ 11,884,229</u>

Compensated absences will be paid from the fund from which the employees' salaries are paid. Capital leases obligations will be paid from the general fund, the education foundation and e-rate special revenue funds, and the schoolnet capital projects fund.

Due to the magnitude of the school facilities construction project, the debt issued by the School District exceeded the overall debt margin as permitted by Ohio statute. However, the School District was declared a "special needs" school district by the Superintendent of Public Instruction as defined by Section 133.06 of the Ohio Revised Code. Under this special exemption, the School Districts capacity for addition debt is approximately \$12 million.

**NOTE 14 - CAPITAL LEASES - LESSEE DISCLOSURE**

During fiscal year 2003, the School District entered into a capitalized lease for the purchase of several school buses. This lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. This new lease agreement is reported in the General Fund as an other financing source, inception of capital lease. Since the school buses have were not purchased as of the end of the fiscal year, no capital outlay expenditure has been recorded, rather the funds from this agreement have been reported as cash and cash equivalent with fiscal agent. In fiscal year 2004, the cost of the school buses has been capitalized. Capital lease payments made from governmental funds have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reported as program/function expenditures on a budgetary basis.

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

Capital assets acquired by lease have been capitalized in the statement of net assets for governmental activities in the amount of \$4,702,246 (\$4,416,452 of vehicles and \$285,794 of equipment), which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability was split between long-term liabilities due within a year and long-term liabilities due within more than one year on the statement of net assets for governmental activities. Principal payments in fiscal year 2004 totaled \$663,895.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2004.

Fiscal Year Ending June 30,	
2005	\$766,701
2006	387,744
2007	364,483
2008	364,482
2009	364,483
2010 - 2013	1,366,810
Total	3,614,703
Less: Amount Representing Interest	(523,534)
Present Value of Net Minimum Lease Payments	\$3,091,169

**NOTE 15 - INTERFUND ACTIVITY**

As of June 30, 2004 principal components of interfund balances and transactions were as follows:

<b><u>Fund Due To</u></b>	<b><u>Fund Due From</u></b>	<b><u>Amount</u></b>
General Fund:	Summer Intervention Grant	\$ 150,000
	Adult Basic Education Grant	100,000
	Vocational Education Grant	150,000
	Head Start Grant	150,000
	Drug Free Schools Grants	950,000
	Other Non-Major Funds	325,139
Non-Major Funds:	General Fund	7,596
	Classroom Facilities Fund	463
	Building Fund	545
	Other Non-Major Funds	14,220
Total Amount Due To/From		\$1,847,963

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

Majority of due to represents cash advances to grant funds for cash flow purposes by the general fund. The due to recorded in the public school support non-major fund from the general fund represents a cash receipt which was unintentionally posted to the general fund but should have been, and subsequent to year-end was, posted to the public school support fund. The remainder of the due to and due from other funds represent corrections in accounting entries applicable to fiscal year 2004 but not posted until after year end or for reimbursement for expenditures of one fund spent on behalf of another fund.

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund:	Non-Major Funds	\$ 389,868
Debt Service Fund:	Building Fund	26,532,156
	Classroom Facilities Fund	70,449,040
	Non-Major Fund	1,968,671
Classroom Facilities Fund:	Building Fund	21,053,102
Education Foundation Fund:	General Fund	<u>3,000,000</u>
	Total Transfers Out/In	<u>\$ 123,392,837</u>

The transfers represent permanently transfers of funds to different programs and operations with general fund unrestricted revenues as allowed by statute. The transfers from the debt service fund and classroom facilities fund to the building fund were made to adjust the cash balance of the building fund for debt proceeds which were originally posted to the incorrect fund.

In addition, the transfers from the debt service fund to the building fund, classroom facilities fund and non-major fund were made to provide financing to the fund in which short-term debt was recorded in the prior year. In fiscal year 2004, long-term debt was issued by the School District to replace the short-term notes and the proceeds of this long-term debt was required to be accounted for in the debt service fund, thereby making a transfer of funds to retire the short-term debt necessary.

During fiscal year 2004, the Board of Education determined that \$3 million previously loaned to the General Fund from the Education Foundation Fund would not be repaid as originally intended. Therefore, the interfund payable amount in the General Fund and the interfund receivable amount in the Education Foundation Fund previously recorded, was adjusted to a transfer into the General Fund and out of the Educational Fund to reflect a permanent transfer of funds.

**NOTE 16 - STATE SCHOOL FUNDING DECISION**

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding decision is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..."

The School District is currently unable to determine what effect, if any, this decision will have its future State funding and on its financial operations.

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

---

**NOTE 17 - SET-ASIDE CALCULATIONS AND FUND RESERVES**

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

The following cash basis information describes the change in the year-end set-aside amounts for textbooks, capital acquisition, and budget stabilization. Disclosure of this information is required by State statute.

	<u>Textbooks</u>	<u>Capital Spending</u>
Set-aside Reserve Balance as of June 30, 2003	\$ 651,818	\$ -
Carry-over from Prior Year	-	(2,371,487)
Current Year Set-aside Requirement	2,748,205	2,748,205
Current Year Revenue Off-Sets	-	(1,636,992)
Qualifying Disbursements	<u>(3,470,337)</u>	<u>(4,367,907)</u>
Set-aside Balances Carried Forward to Future Fiscal Years	<u>\$ (70,314)</u>	<u>\$(5,628,181)</u>
Set-aside Reserve Balances as of June 30, 2004	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

In accordance with the provisions of the settlement agreement to the School District's desegregation lawsuit, the School District has established a contingency reserve account in the amount of \$7.3 million. This amount is shown on the governmental funds' balance sheet as a reservation of fund balance, as well as restricted "equity in pooled cash and cash equivalents" in the General Fund. These funds are to be used only if the Dayton Board of Education is not able to fund Academic Improvement Strategies contained within the agreement after: 1) the School District has exhausted all efforts to fund the Academic Improvement Strategies through changes or adjustments to current operations; and 2) no other funds from other sources are available for use to fund the Academic Improvement Strategies.

**NOTE 18 - CONTINGENCIES**

**A. Grants**

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2004.

**DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2004

---

**B. Litigation**

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

**NOTE 19 – CONSTRUCTION COMMITMENTS**

At June 30, 2004 the School District had open purchase orders associated with the school facilities construction project totaling \$9.3 million; \$7.7 million in the Classroom Facilities capital project fund and \$1.6 million in the Building capital project fund. Significant individual commitments include:

<u>Vendor/Contractor</u>	<u>Commitment</u>
Dayton School Design	\$ 3,417,910
Jeff Wray Architects, Inc.	1,247,074
Marsh USA, Inc.	343,900
Kremer Roofing, Inc.	297,938
DNK Architects, Inc.	295,939
Chapel Electric Company	283,845
Justice Electric, Inc.	215,725
Empire Dismantlement Corporation	210,000

## **Combining Statements and Individual Fund Schedules**



## Major Governmental Funds

---

### MAJOR GOVERNMENTAL FUNDS

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

---

#### General Fund

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

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

#### Bond Retirement Fund

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

#### Classroom Facilities Fund

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

#### Building Fund

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

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BOND RETIREMENT FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 7,500,000	\$ 13,347,876	\$ 13,364,143	\$ 16,267
Intergovernmental	14,000,000	1,613,163	1,615,128	1,965
Interest	-	470,199	492,728	22,529
<b>Total Revenues</b>	<b>21,500,000</b>	<b>15,431,238</b>	<b>15,471,999</b>	<b>40,761</b>
Expenditures:				
Current:				
Support Services:				
Fiscal	28,369,000	21,844,551	1,535,949	20,308,602
Debt Service:				
Principal Retirement	-	245,055,000	245,055,000	-
Interest and Fiscal Charges	-	12,500,000	12,096,957	403,043
<b>Total Expenditures</b>	<b>28,369,000</b>	<b>279,399,551</b>	<b>258,687,906</b>	<b>20,711,645</b>
Excess of Revenues Over(Under) Expenditures	(6,869,000)	(263,968,313)	(243,215,907)	20,752,406
Other Financing Sources (Uses):				
Proceeds from Sale of Bonds	-	151,364,737	151,555,000	190,263
Premium on Sale of Bonds	-	8,330,000	8,325,678	(4,322)
Proceeds from Sale of Notes	-	(4,416,384)	(4,426,561)	(10,177)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>155,278,353</b>	<b>155,454,117</b>	<b>175,764</b>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(6,869,000)	(108,689,960)	(87,761,790)	20,928,170
Fund Balance at Beginning of Year	6,869,000	108,714,546	108,714,546	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 24,586</u>	<u>\$ 20,952,756</u>	<u>\$ 20,928,170</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
CLASSROOM FACILITIES CAPITAL PROJECTS FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ 15,212,770	\$ 18,846,346	\$ 3,633,576
Interest	-	1,623,766	1,881,492	257,726
Miscellaneous	-	9,950	9,950	-
Total Revenues	<u>-</u>	<u>16,846,486</u>	<u>20,737,788</u>	<u>3,891,302</u>
Expenditures:				
Current:				
Support Services:				
Fiscal	681,757	681,757	(26,100)	707,857
Capital Outlay	194,251,529	224,251,529	20,919,674	203,331,855
Total Expenditures	<u>194,933,286</u>	<u>224,933,286</u>	<u>20,893,574</u>	<u>204,039,712</u>
Excess of Revenues Over(Under) Expenditures	<u>(194,933,286)</u>	<u>(208,086,800)</u>	<u>(155,786)</u>	<u>207,931,014</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Notes	-	(21,053,102)	(21,053,102)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(21,053,102)</u>	<u>(21,053,102)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	<u>(194,933,286)</u>	<u>(229,139,902)</u>	<u>(21,208,888)</u>	<u>207,931,014</u>
Fund Balance at Beginning of Year	191,700,000	238,736,763	238,736,763	-
Prior Year Encumbrances Appropriated	<u>3,233,286</u>	<u>3,233,286</u>	<u>3,233,286</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ 12,830,147</u></u>	<u><u>\$ 220,761,161</u></u>	<u><u>\$ 207,931,014</u></u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUILDING FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Interest	\$ -	\$ 445,803	\$ 695,246	\$ 249,443
Total Revenues	-	445,803	695,246	249,443
Expenditures:				
Current:				
Support Services:				
Fiscal	101,885	101,885	32,677	69,208
Business	-	108,528	108,528	-
Central	-	176,011	168,618	7,393
Capital Outlay	69,815,444	74,271,905	13,760,665	60,511,240
Total Expenditures	69,917,329	74,658,329	14,070,488	60,587,841
Excess of Revenues Over(Under) Expenditures	(69,917,329)	(74,212,526)	(13,375,242)	60,837,284
Other Financing Sources (Uses):				
Proceeds from Sale of Bonds	-	41,808,518	41,839,663	31,145
Total Other Financing Sources (Uses)	-	41,808,518	41,839,663	31,145
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(69,917,329)	(32,404,008)	28,464,421	60,868,429
Fund Balance at Beginning of Year	69,400,000	36,964,692	36,964,692	-
Prior Year Encumbrances Appropriated	517,329	517,329	517,329	-
Fund Balance at End of Year	\$ -	\$ 5,078,013	\$ 65,946,442	\$ 60,868,429

## Nonmajor Governmental Funds

---

### NONMAJOR SPECIAL REVENUE FUNDS

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

---

#### Other Grant Rotary

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

#### Public School Support

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

#### Other Grants

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

#### Computer Networks

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

#### Education Foundation

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

#### School Improvement Model

A fund used to account for state monies provided to support a reorganization of the student school day and teacher work day for school improvement.

#### Maintenance of Classroom Facilities

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

#### District Managed Student Activities

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

#### Auxiliary Services

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

#### Career Development

A fund used to account for monies received and expended in conjunction with Vocational Education Career Development projects funded by the State of Ohio, Ohio Department of Education.

## Nonmajor Governmental Funds

(Continued)

---

### NONMAJOR SPECIAL REVENUE FUNDS (Continued)

#### Teacher Development

A fund used to account for monies, which provide assistance in developing in-service programs.

#### Management Information Systems

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

#### Public School Preschool

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

#### Entry Year Program

A fund to account for State grants aimed at providing funding to school district for structured training of entry level teachers.

#### Disadvantaged Pupil Impact Aid

To account for revenues received for disadvantaged pupil impact aid.

#### Data Communications

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

#### SchoolNet Professional Development

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

#### Textbooks/Instructional Material Subsidy

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

#### Ohio Reads Grant

To account for state funds provided for developing and instituting programs to increase student reading comprehension skills.

#### Summer Intervention

A fund used to account for summer intervention services satisfying criteria defined in division (E) of section 3313.608 of the Ohio Revised Code.

#### Vocational Education Enhancement

To account for vocational education enhancements that: 1) expand the number of students enrolled in tech prep programs, 2) enable students to develop career plans, and 3) replace or update equipment essential for the instruction of students in vocational education programs.

#### Alternative Schools

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

#### Miscellaneous State Grants

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

## Nonmajor Governmental Funds

(Continued)

---

### NONMAJOR SPECIAL REVENUE FUNDS (Continued)

#### Adult Basic Education

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

#### National Defense Education Act

To account for monies received under a federal grant to assist schools in the enhancement of math and science programs.

#### Title VI-B

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

#### Vocational Education

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

#### Headstart

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

#### Dropout Prevention and Intervention

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

#### Title I

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

#### Title VI

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

#### Drug Free Schools Program

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

#### EHA Preschool Grants for the Handicapped

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

#### E-Rate Grant

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

## Nonmajor Governmental Funds

(Continued)

---

### NONMAJOR SPECIAL REVENUE FUNDS (Continued)

#### Title VI-R Classroom Size Reduction

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

#### Miscellaneous Federal Grants

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

#### Special Trust

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

#### Food Service

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

#### Uniformed School Supplies

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

---

### NONMAJOR CAPITAL PROJECTS FUNDS

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

---

#### Permanent Improvement

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

#### Replacement

A fund used to account for monies used in the rebuilding, restoration or improvement of property which has been totally or partially destroyed for any cause. Such property may have become unfit for use necessitating its demolition in whole or in part, and require repair or restoration before it can again be used.

#### SchoolNet

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

#### Interactive Video Distance Learning

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

#### School Building Assistance Limited

A fund used to account for grant and matching monies received from local governments. Monies are to be used for major renovations and repairs of school facilities.



**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2004

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 9,554,970	\$ 7,904,972	\$ 17,459,942
Cash and Cash Equivalents with Fiscal Agent	669,045	-	669,045
Receivables:			
Taxes - Current	835,519	835,519	1,671,038
Taxes - Delinquent	220,262	220,263	440,525
Accounts	17,863	-	17,863
Intergovernmental	11,442,282	-	11,442,282
Accrued Interest	-	2,980	2,980
Due from other Funds	22,824	-	22,824
Prepays	2,975	-	2,975
Inventory held for Resale	160,240	-	160,240
	<u>\$ 22,925,980</u>	<u>\$ 8,963,734</u>	<u>\$ 31,889,714</u>
<u>Liabilities and Fund Balance:</u>			
Liabilities:			
Accounts Payable	\$ 2,333,821	\$ 376,353	\$ 2,710,174
Accrued Wages and Benefits	1,511,271	-	1,511,271
Intergovernmental Payable	604,248	-	604,248
Due to Other Funds	1,839,331	-	1,839,331
Deferred Revenue	11,077,888	1,014,295	12,092,183
Compensated Absences Payable	140,376	-	140,376
	<u>17,506,935</u>	<u>1,390,648</u>	<u>18,897,583</u>
Fund Balance:			
Reserved for:			
Encumbrances	3,730,892	2,137,846	5,868,738
Supplies Inventory	160,240	-	160,240
Property Taxes	44,467	44,467	88,934
Prepaid Items	2,975	-	2,975
Unreserved, Undesignated	1,480,471	5,390,773	6,871,244
	<u>5,419,045</u>	<u>7,573,086</u>	<u>12,992,131</u>
Total Fund Balance	<u>5,419,045</u>	<u>7,573,086</u>	<u>12,992,131</u>
Total Liabilities and Fund Balance	<u>\$ 22,925,980</u>	<u>\$ 8,963,734</u>	<u>\$ 31,889,714</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2004

	Other Grant Rotary	Public School Support	Other Grant	Computer Networks
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 123,423	\$ 519,439	\$ 317,875	\$ 2,742
Cash and Cash Equivalents with Fiscal Agent	-	-	-	-
Receivables:				
Taxes - Current	-	-	-	-
Taxes - Delinquent	-	-	-	-
Accounts	-	-	15,490	-
Intergovernmental	-	-	214,817	-
Due from other Funds	-	588	-	-
Prepays	-	-	-	-
Inventory held for Resale	-	-	-	-
<b>Total Assets</b>	<b>\$ 123,423</b>	<b>\$ 520,027</b>	<b>\$ 548,182</b>	<b>\$ 2,742</b>
<u>Liabilities and Fund Balances:</u>				
Liabilities:				
Accounts Payable	\$ 781	\$ 15,968	\$ 34,898	\$ -
Accrued Wages and Benefits	-	-	17,189	-
Intergovernmental Payable	-	-	4,722	-
Due to Other Funds	-	1,099	2,761	-
Deferred Revenue	-	-	200,000	-
Compensated Absences Payable	-	-	-	-
<b>Total Liabilities</b>	<b>781</b>	<b>17,067</b>	<b>259,570</b>	<b>-</b>
Fund Balances:				
Reserved for:				
Encumbrances	-	19,627	-	-
Supplies Inventory	-	-	-	-
Property Taxes	-	-	-	-
Prepaid Items	-	-	-	-
Unreserved, Undesignated	122,642	483,333	288,612	2,742
<b>Total Fund Balances</b>	<b>122,642</b>	<b>502,960</b>	<b>288,612</b>	<b>2,742</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 123,423</b>	<b>\$ 520,027</b>	<b>\$ 548,182</b>	<b>\$ 2,742</b>

Education Foundation	School Improvement Model	Maintenance of Classroom Facilities	District Managed Student Activities	Auxiliary Services	Career Development
\$ - 669,045	\$ - -	\$ 1,307,014 -	\$ 955,552 -	\$ 968,954 -	\$ - -
-	-	835,519	-	-	-
-	-	220,262	-	-	-
-	-	-	2,000	-	-
-	-	-	-	108,240	-
-	-	-	-	-	-
-	-	-	1,855	-	-
-	-	-	-	-	-
<u>\$ 669,045</u>	<u>\$ -</u>	<u>\$ 2,362,795</u>	<u>\$ 959,407</u>	<u>\$ 1,077,194</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 11,588	\$ 321,464	\$ -
-	-	-	2,254	60,400	-
-	-	-	844	16,570	-
-	-	-	-	-	-
-	-	1,011,314	-	104,610	-
-	-	-	-	-	-
-	-	1,011,314	14,686	503,044	-
-	-	-	112,005	246,692	-
-	-	-	-	-	-
-	-	44,467	-	-	-
-	-	-	1,855	-	-
669,045	-	1,307,014	830,861	327,458	-
<u>669,045</u>	<u>-</u>	<u>1,351,481</u>	<u>944,721</u>	<u>574,150</u>	<u>-</u>
<u>\$ 669,045</u>	<u>\$ -</u>	<u>\$ 2,362,795</u>	<u>\$ 959,407</u>	<u>\$ 1,077,194</u>	<u>\$ -</u>

(Continued)

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2004  
 (Continued)

	Teacher Development	Management Information Systems	Public School Preschool	Entry Year Program
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 5,810	\$ 63,205	\$ 70,183	\$ -
Cash and Cash Equivalents with Fiscal Agent	-	-	-	-
Receivables:				
Taxes - Current	-	-	-	-
Taxes - Delinquent	-	-	-	-
Accounts	-	-	-	-
Intergovernmental	160,099	-	26,394	-
Due from other Funds	-	-	-	-
Prepays	-	-	-	-
Inventory held for Resale	-	-	-	-
<b>Total Assets</b>	<b>\$ 165,909</b>	<b>\$ 63,205</b>	<b>\$ 96,577</b>	<b>\$ -</b>
<u>Liabilities and Fund Balances:</u>				
Liabilities:				
Accounts Payable	\$ 56,681	\$ -	\$ 1,684	\$ -
Accrued Wages and Benefits	-	1,912	-	-
Intergovernmental Payable	-	1,716	2,840	-
Due to Other Funds	80,000	-	50,337	-
Deferred Revenue	110,605	-	26,394	-
Compensated Absences Payable	-	-	-	-
<b>Total Liabilities</b>	<b>247,286</b>	<b>3,628</b>	<b>81,255</b>	<b>-</b>
Fund Balances:				
Reserved for:				
Encumbrances	44,236	246	1,435	-
Supplies Inventory	-	-	-	-
Property Taxes	-	-	-	-
Prepaid Items	-	-	-	-
Unreserved, Undesignated	(125,613)	59,331	13,887	-
<b>Total Fund Balances</b>	<b>(81,377)</b>	<b>59,577</b>	<b>15,322</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 165,909</b>	<b>\$ 63,205</b>	<b>\$ 96,577</b>	<b>\$ -</b>

<u>Disadvantaged Pupil Impact Aid</u>	<u>Data Communications</u>	<u>SchoolNet Professional Development</u>	<u>Textbooks/ Instructional Material Subsidy</u>	<u>Ohio Reads</u>	<u>Summer Intervention</u>
\$ 40,153	\$ 237,131	\$ 18,911	\$ 59,837	\$ 40,661	\$ 198,472
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	165,687
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 40,153</u>	<u>\$ 237,131</u>	<u>\$ 18,911</u>	<u>\$ 59,837</u>	<u>\$ 40,661</u>	<u>\$ 364,159</u>
\$ 87,812	\$ 45,864	\$ -	\$ -	\$ 15,297	\$ 80,357
543,671	-	90	-	-	31,898
187,800	-	28	-	-	34,632
30	-	-	-	42	153,174
-	-	-	-	-	165,687
54,978	-	-	-	-	-
<u>874,291</u>	<u>45,864</u>	<u>118</u>	<u>-</u>	<u>15,339</u>	<u>465,748</u>
-	109,289	-	-	20,887	73
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(834,138)</u>	<u>81,978</u>	<u>18,793</u>	<u>59,837</u>	<u>4,435</u>	<u>(101,662)</u>
<u>(834,138)</u>	<u>191,267</u>	<u>18,793</u>	<u>59,837</u>	<u>25,322</u>	<u>(101,589)</u>
<u>\$ 40,153</u>	<u>\$ 237,131</u>	<u>\$ 18,911</u>	<u>\$ 59,837</u>	<u>\$ 40,661</u>	<u>\$ 364,159</u>

(Continued)

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2004  
 (Continued)

	Vocational Education Enhancement	Alternative Schools	Miscellaneous State Grants	Adult Basic Education
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 235	\$ 35,806	\$ 116,499	\$ 70,011
Cash and Cash Equivalents with Fiscal Agent	-	-	-	-
Receivables:				
Taxes - Current	-	-	-	-
Taxes - Delinquent	-	-	-	-
Accounts	-	-	-	69
Intergovernmental	4,264	58,150	-	44,452
Due from other Funds	-	-	-	-
Prepays	-	-	-	-
Inventory held for Resale	-	-	-	-
<b>Total Assets</b>	<b>\$ 4,499</b>	<b>\$ 93,956</b>	<b>\$ 116,499</b>	<b>\$ 114,532</b>
<u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ -	\$ -	\$ 2,946	\$ 5,156
Accrued Wages and Benefits	-	1,319	32	8,451
Intergovernmental Payable	-	1,008	24	7,952
Due to Other Funds	4,500	75,000	421	100,000
Deferred Revenue	-	8,250	-	-
Compensated Absences Payable	-	-	-	-
<b>Total Liabilities</b>	<b>4,500</b>	<b>85,577</b>	<b>3,423</b>	<b>121,559</b>
<u>Fund Balances:</u>				
Reserved for:				
Encumbrances	-	1,337	5,814	1,943
Supplies Inventory	-	-	-	-
Property Taxes	-	-	-	-
Prepaid Items	-	-	-	-
Unreserved, Undesignated	(1)	7,042	107,262	(8,970)
<b>Total Fund Balances</b>	<b>(1)</b>	<b>8,379</b>	<b>113,076</b>	<b>(7,027)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,499</b>	<b>\$ 93,956</b>	<b>\$ 116,499</b>	<b>\$ 114,532</b>

National Defense Education Act	Title VI-B	Vocational Education	Headstart	Dropout Prevention and Intervention	Title I
\$ -	\$ 223,248	\$ 73,245	\$ 33,741	\$ 16,663	\$ 1,333,270
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	70	-	144
-	404,733	134,392	972,184	4,413	1,347,025
-	-	-	-	-	1,692
-	-	-	-	-	1,120
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 627,981</u>	<u>\$ 207,637</u>	<u>\$ 1,005,995</u>	<u>\$ 21,076</u>	<u>\$ 2,683,251</u>
\$ -	\$ 254,532	\$ 5,760	\$ 21,283	\$ 11,529	\$ 965,704
-	53,801	5,704	19,044	-	448,672
-	29,698	7,410	14,704	168	172,378
-	-	156,413	150,026	25,000	7,520
-	404,733	40,090	774,369	-	1,063,062
-	6,527	-	-	-	40,490
-	749,291	215,377	979,426	36,697	2,697,826
-	106,591	-	27,692	1,374	1,247,079
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,120
-	(227,901)	(7,740)	(1,123)	(16,995)	(1,262,774)
-	(121,310)	(7,740)	26,569	(15,621)	(14,575)
<u>\$ -</u>	<u>\$ 627,981</u>	<u>\$ 207,637</u>	<u>\$ 1,005,995</u>	<u>\$ 21,076</u>	<u>\$ 2,683,251</u>

(Continued)

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2004  
 (Continued)

	Title VI	Drug Free School Grant	EHA Preschool Grants for the Handicapped	E-Rate Grant
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 136,136	\$ 895,224	\$ 1,962	\$ 298,238
Cash and Cash Equivalents with Fiscal Agent	-	-	-	-
Receivables:				
Taxes - Current	-	-	-	-
Taxes - Delinquent	-	-	-	-
Accounts	-	-	-	-
Intergovernmental	17,064	4,497,165	2,471	-
Due from other Funds	-	-	-	-
Prepays	-	-	-	-
Inventory held for Resale	-	-	-	-
<b>Total Assets</b>	<b>\$ 153,200</b>	<b>\$ 5,392,389</b>	<b>\$ 4,433</b>	<b>\$ 298,238</b>
<u>Liabilities and Fund Balances:</u>				
Liabilities:				
Accounts Payable	\$ 2,962	\$ 149,002	\$ -	\$ 13,614
Accrued Wages and Benefits	35,092	30,126	-	2,719
Intergovernmental Payable	5,658	11,398	-	2,076
Due to Other Funds	-	950,009	4,897	-
Deferred Revenue	17,064	4,451,875	-	-
Compensated Absences Payable	-	-	-	-
<b>Total Liabilities</b>	<b>60,776</b>	<b>5,592,410</b>	<b>4,897</b>	<b>18,409</b>
Fund Balances:				
Reserved for:				
Encumbrances	223,945	223,494	-	168,212
Supplies Inventory	-	-	-	-
Property Taxes	-	-	-	-
Prepaid Items	-	-	-	-
Unreserved, Undesignated	(131,521)	(423,515)	(464)	111,617
<b>Total Fund Balances</b>	<b>92,424</b>	<b>(200,021)</b>	<b>(464)</b>	<b>279,829</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 153,200</b>	<b>\$ 5,392,389</b>	<b>\$ 4,433</b>	<b>\$ 298,238</b>



Title VI-R Classroom Size Reduction	Miscellaneous Federal Grants	Special Trust	Food Service	Uniformed School Supplies	Total
\$ 413,093	\$ 129,227	\$ 66,480	\$ 767,825	\$ 14,705	\$ 9,554,970
-	-	-	-	-	669,045
-	-	-	-	-	835,519
-	-	-	-	-	220,262
-	-	-	90	-	17,863
372,747	2,400,244	-	507,741	-	11,442,282
-	1,645	-	18,899	-	22,824
-	-	-	-	-	2,975
-	-	-	160,240	-	160,240
<u>\$ 785,840</u>	<u>\$ 2,531,116</u>	<u>\$ 66,480</u>	<u>\$ 1,454,795</u>	<u>\$ 14,705</u>	<u>\$ 22,925,980</u>
\$ 28,237	\$ 109,345	\$ 45	\$ 85,040	\$ 6,272	\$ 2,333,821
182,874	17,705	-	48,318	-	1,511,271
43,784	6,974	-	51,864	-	604,248
-	77,624	-	478	-	1,839,331
372,747	2,327,088	-	-	-	11,077,888
29,835	-	-	8,546	-	140,376
<u>657,477</u>	<u>2,538,736</u>	<u>45</u>	<u>194,246</u>	<u>6,272</u>	<u>17,506,935</u>
23,935	768,370	-	375,040	1,576	3,730,892
-	-	-	160,240	-	160,240
-	-	-	-	-	44,467
-	-	-	-	-	2,975
<u>104,428</u>	<u>(775,990)</u>	<u>66,435</u>	<u>725,269</u>	<u>6,857</u>	<u>1,480,471</u>
<u>128,363</u>	<u>(7,620)</u>	<u>66,435</u>	<u>1,260,549</u>	<u>8,433</u>	<u>5,419,045</u>
<u>\$ 785,840</u>	<u>\$ 2,531,116</u>	<u>\$ 66,480</u>	<u>\$ 1,454,795</u>	<u>\$ 14,705</u>	<u>\$ 22,925,980</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2004

	Permanent Improvement	Replacement	SchoolNet
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 4,660,849	\$ 204,436	\$ 483,224
Receivables:			
Taxes - Current	835,519	-	-
Taxes - Delinquent	220,263	-	-
Accrued Interest	-	-	-
	-	-	-
Total Assets	\$ 5,716,631	\$ 204,436	\$ 483,224
<u>Liabilities and Fund Equity:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$ 20,888	\$ -	\$ 355,465
Deferred Revenue	1,011,315	-	-
	-	-	-
Total Liabilities	1,032,203	-	355,465
<u>Fund Balance:</u>			
Reserved for Encumbrances	1,622,049	-	5,103
Reserved for Taxes	44,467	-	-
Unreserved	3,017,912	204,436	122,656
	-	-	-
Total Fund Balance	4,684,428	204,436	127,759
Total Liabilities and Fund Balance	\$ 5,716,631	\$ 204,436	\$ 483,224

Interactive Video Distance Learning	School Building Assistance Limited	Total Nonmajor Capital Projects Funds
\$ 11,142	\$ 2,545,321	\$ 7,904,972
-	-	835,519
-	-	220,263
<u>-</u>	<u>2,980</u>	<u>2,980</u>
<u>\$ 11,142</u>	<u>\$ 2,548,301</u>	<u>\$ 8,963,734</u>
\$ -	\$ -	\$ 376,353
<u>-</u>	<u>2,980</u>	<u>1,014,295</u>
<u>-</u>	<u>2,980</u>	<u>1,390,648</u>
-	510,694	2,137,846
-	-	44,467
<u>11,142</u>	<u>2,034,627</u>	<u>5,390,773</u>
<u>11,142</u>	<u>2,545,321</u>	<u>7,573,086</u>
<u>\$ 11,142</u>	<u>\$ 2,548,301</u>	<u>\$ 8,963,734</u>

DAYTON  N

---

PUBLIC SCHOOLS

**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, 2004

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Taxes	\$ 849,883	\$ 849,884	\$ 1,699,767
Intergovernmental	56,616,794	577,373	57,194,167
Interest	127,587	84,361	211,948
Tuition and Fees	27,683	-	27,683
Charges for Services	3,255,085	-	3,255,085
Gifts and Donations	2,486	-	2,486
Extracurricular Activities	789,290	-	789,290
Miscellaneous	1,498,271	569	1,498,840
<b>Total Revenues</b>	<b>63,167,079</b>	<b>1,512,187</b>	<b>64,679,266</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	10,740,659	-	10,740,659
Special	14,019,545	-	14,019,545
Vocational	694,674	-	694,674
Adult/Continuing	608,017	-	608,017
<b>Support Services:</b>			
Pupils	4,685,516	-	4,685,516
Instructional Staff	8,765,817	-	8,765,817
Administration	2,544,386	-	2,544,386
Fiscal	369,124	10,857	379,981
Plant Operation and Maintenance	1,556,535	291,685	1,848,220
Pupil Transportation	45,801	-	45,801
Central	1,096,899	-	1,096,899
Non-Instructional Services	13,564,279	-	13,564,279
Extracurricular Activities	588,361	-	588,361
Intergovernmental	3,542,575	-	3,542,575
Capital Outlay	-	2,976,435	2,976,435
<b>Debt Service:</b>			
Principal Retirement	18,466	-	18,466
Interest and Fiscal Charges	4,796	-	4,796
<b>Total Expenditures</b>	<b>62,845,450</b>	<b>3,278,977</b>	<b>66,124,427</b>
<b>Excess of Revenues Over(Under)</b>			
Expenditures	321,629	(1,766,790)	(1,445,161)
<b>Other Financing Sources:</b>			
Proceeds from Sale of Long-term Notes	-	3,500,000	3,500,000
Transfers In	389,868	1,968,671	2,358,539
Transfers Out	(3,000,000)	-	(3,000,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,610,132)</b>	<b>5,468,671</b>	<b>2,858,539</b>
<b>Net Change in Fund Balance</b>	<b>(2,288,503)</b>	<b>3,701,881</b>	<b>1,413,378</b>
<b>Fund Balance at Beginning of Year</b>	<b>7,707,548</b>	<b>3,871,205</b>	<b>11,578,753</b>
<b>Fund Balance at End of Year</b>	<b>\$ 5,419,045</b>	<b>\$ 7,573,086</b>	<b>\$ 12,992,131</b>

**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, 2004

	Other Grant Rotary	Public School Support	Other Grant	Computer Networks
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	14,817	-
Interest	-	-	-	-
Tuition and Fees	27,683	-	-	-
Charges for Services	-	-	-	-
Gifts and Donations	-	-	-	-
Extracurricular Activities	-	315,535	2,473	-
Miscellaneous	-	11,255	1,148,508	-
<b>Total Revenues</b>	<b>27,683</b>	<b>326,790</b>	<b>1,165,798</b>	<b>-</b>
Expenditures:				
Current:				
Instruction:				
Regular	27,844	367,829	276,599	-
Special	-	-	1,854	-
Vocational	-	-	450	-
Adult/Continuing	-	-	-	-
Support Services:				
Pupils	-	829	650,971	-
Instructional Staff	-	-	415,312	-
Administration	-	-	7,206	-
Fiscal	-	-	-	-
Plant Operation and Maintenance	-	975	-	-
Pupil Transportation	-	-	-	-
Central	-	-	-	34,773
Non-Instructional Services	-	-	-	-
Extracurricular Activities	-	-	3,426	-
Intergovernmental	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>27,844</b>	<b>369,633</b>	<b>1,355,818</b>	<b>34,773</b>
Excess of Revenues Over(Under) Expenditures	(161)	(42,843)	(190,020)	(34,773)
Other Financing Sources:				
Transfers-In	-	-	36,868	-
Transfers-Out	-	-	-	-
<b>Net Change in Fund Balance</b>	<b>(161)</b>	<b>(42,843)</b>	<b>(153,152)</b>	<b>(34,773)</b>
Fund Balance at Beginning of Year	122,803	545,803	441,764	37,515
<b>Fund Balance at End of Year</b>	<b>\$ 122,642</b>	<b>\$ 502,960</b>	<b>\$ 288,612</b>	<b>\$ 2,742</b>

Education Foundation	School Improvement Model	Maintenance of Classroom Facilities	District Managed Student Activities	Auxiliary Services	Career Development
\$ -	\$ -	\$ 849,883	\$ -	\$ -	\$ -
-	-	94,149	-	2,177,809	-
76,797	-	-	-	15,525	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	471,282	-	-
325,000	1,510	-	-	-	1,856
<u>401,797</u>	<u>1,510</u>	<u>944,032</u>	<u>471,282</u>	<u>2,193,334</u>	<u>1,856</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
273,977	-	-	-	-	-
-	-	10,858	-	-	-
-	-	-	31,729	-	-
-	-	-	-	-	-
56,000	-	-	-	2,244,997	-
-	-	-	584,465	-	-
-	-	-	-	-	-
-	-	-	18,466	-	-
-	-	-	4,796	-	-
<u>329,977</u>	<u>-</u>	<u>10,858</u>	<u>639,456</u>	<u>2,244,997</u>	<u>-</u>
71,820	1,510	933,174	(168,174)	(51,663)	1,856
-	-	-	353,000	-	-
<u>(3,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(2,928,180)	1,510	933,174	184,826	(51,663)	1,856
<u>3,597,225</u>	<u>(1,510)</u>	<u>418,307</u>	<u>759,895</u>	<u>625,813</u>	<u>(1,856)</u>
<u>\$ 669,045</u>	<u>\$ -</u>	<u>\$ 1,351,481</u>	<u>\$ 944,721</u>	<u>\$ 574,150</u>	<u>\$ -</u>

(Continued)

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004  
(Continued)

	Teacher Development	Management Information Systems	Public School Preschool	Entry Year Program
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	102,199	69,470	295,152	11,000
Interest	-	-	-	-
Tuition and Fees	-	-	-	-
Charges for Services	-	-	-	-
Gifts and Donations	-	-	-	-
Extracurricular Activities	-	-	-	-
Miscellaneous	-	-	8,050	-
<b>Total Revenues</b>	<b>102,199</b>	<b>69,470</b>	<b>303,202</b>	<b>11,000</b>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	94,352	-
Special	-	-	-	-
Vocational	-	-	-	-
Adult/Continuing	-	-	-	-
Support Services:				
Pupils	-	-	49,893	-
Instructional Staff	182,890	-	119,180	11,000
Administration	-	-	-	-
Fiscal	-	-	37,100	-
Plant Operation and Maintenance	-	-	-	-
Pupil Transportation	-	-	-	-
Central	-	74,982	-	-
Non-Instructional Services	-	-	-	-
Extracurricular Activities	-	-	-	-
Intergovernmental	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>182,890</b>	<b>74,982</b>	<b>300,525</b>	<b>11,000</b>
Excess of Revenues Over(Under) Expenditures	(80,691)	(5,512)	2,677	-
Other Financing Sources:				
Transfers-In	-	-	-	-
Transfers-Out	-	-	-	-
<b>Net Change in Fund Balance</b>	<b>(80,691)</b>	<b>(5,512)</b>	<b>2,677</b>	<b>-</b>
Fund Balance at Beginning of Year	(686)	65,089	12,645	-
<b>Fund Balance at End of Year</b>	<b>\$ (81,377)</b>	<b>\$ 59,577</b>	<b>\$ 15,322</b>	<b>\$ -</b>



<u>Disadvantaged Pupil Impact Aid</u>	<u>Data Communications</u>	<u>SchoolNet Professional Development</u>	<u>Textbooks/ Instructional Material Subsidy</u>	<u>Ohio Reads</u>	<u>Summer Intervention</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16,416,833	222,228	23,750	-	123,500	379,941
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>16,416,833</u>	<u>222,228</u>	<u>23,750</u>	<u>-</u>	<u>123,500</u>	<u>379,941</u>
9,671,568	-	-	-	132,830	50,762
1,774,145	-	-	-	-	395,435
50,093	-	-	-	-	-
-	-	-	-	-	-
26,911	-	-	-	22,262	12,341
27,766	-	15,957	-	1,200	21,652
-	-	-	-	-	-
-	-	-	-	267	-
1,353,570	-	-	-	-	-
-	-	-	-	890	1,340
25,653	249,185	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,542,575	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>16,472,281</u>	<u>249,185</u>	<u>15,957</u>	<u>-</u>	<u>157,449</u>	<u>481,530</u>
(55,448)	(26,957)	7,793	-	(33,949)	(101,589)
-	-	-	-	-	-
-	-	-	-	-	-
<u>(55,448)</u>	<u>(26,957)</u>	<u>7,793</u>	<u>-</u>	<u>(33,949)</u>	<u>(101,589)</u>
<u>(778,690)</u>	<u>218,224</u>	<u>11,000</u>	<u>59,837</u>	<u>59,271</u>	<u>-</u>
<u>\$ (834,138)</u>	<u>\$ 191,267</u>	<u>\$ 18,793</u>	<u>\$ 59,837</u>	<u>\$ 25,322</u>	<u>\$ (101,589)</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, 2004  
(Continued)

	Vocational Education Enhancement	Alternative Schools	Miscellaneous State Grants	Adult Basic Education
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	39,371	350,900	86,252	768,653
Interest	-	-	-	-
Tuition and Fees	-	-	-	-
Charges for Services	-	-	-	-
Gifts and Donations	-	-	-	-
Extracurricular Activities	-	-	-	-
Miscellaneous	-	-	-	400
<b>Total Revenues</b>	<b>39,371</b>	<b>350,900</b>	<b>86,252</b>	<b>769,053</b>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	-
Special	-	-	-	-
Vocational	34,785	-	-	-
Adult/Continuing	-	-	-	542,768
Support Services:				
Pupils	576	304,213	29,478	394
Instructional Staff	-	-	9,824	179,605
Administration	-	38,016	1,889	-
Fiscal	-	-	1,842	-
Plant Operation and Maintenance	-	-	-	-
Pupil Transportation	980	-	-	5,045
Central	-	-	-	-
Non-Instructional Services	-	-	-	-
Extracurricular Activities	-	-	-	-
Intergovernmental	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>36,341</b>	<b>342,229</b>	<b>43,033</b>	<b>727,812</b>
Excess of Revenues Over(Under) Expenditures	3,030	8,671	43,219	41,241
Other Financing Sources:				
Transfers-In	-	-	-	-
Transfers-Out	-	-	-	-
<b>Net Change in Fund Balance</b>	<b>3,030</b>	<b>8,671</b>	<b>43,219</b>	<b>41,241</b>
Fund Balance at Beginning of Year	(3,031)	(292)	69,857	(48,268)
<b>Fund Balance at End of Year</b>	<b>\$ (1)</b>	<b>\$ 8,379</b>	<b>\$ 113,076</b>	<b>\$ (7,027)</b>

National Defense Education Act	Title VI-B	Vocational Education	Headstart	Dropout Prevention and Intervention	Title I
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	3,415,524	1,035,519	1,807,960	4,413	14,088,302
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,692
-	3,415,524	1,035,519	1,807,960	4,413	14,089,994
-	79	-	-	-	73,424
-	997,637	-	1,681,274	11,214	7,133,888
-	6,527	602,819	-	-	-
-	-	-	-	-	65,249
1,592	27,003	61,190	-	-	271,232
-	1,950,840	21,002	38,219	19,301	4,473,569
-	176,698	-	10,688	-	1,692,697
-	56,646	-	-	-	202,361
-	-	-	-	-	-
-	-	18,849	-	-	18,697
-	-	64,305	-	-	1,894
-	336,564	-	-	-	542,417
-	-	470	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,592	3,551,994	768,635	1,730,181	30,515	14,475,428
(1,592)	(136,470)	266,884	77,779	(26,102)	(385,434)
-	-	-	-	-	-
-	-	-	-	-	-
(1,592)	(136,470)	266,884	77,779	(26,102)	(385,434)
1,592	15,160	(274,624)	(51,210)	10,481	370,859
\$ -	\$ (121,310)	\$ (7,740)	\$ 26,569	\$ (15,621)	\$ (14,575)

(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, 2004  
(Continued)

	Title VI	Drug Free School Grant	EHA Preschool Grants for the Handicapped	E-Rate Grant
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	354,780	2,520,541	141,825	749,530
Interest	-	-	-	-
Tuition and Fees	-	-	-	-
Charges for Services	-	-	-	-
Gifts and Donations	-	-	-	-
Extracurricular Activities	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>354,780</b>	<b>2,520,541</b>	<b>141,825</b>	<b>749,530</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	-	-	-	-
Special	59,794	467	-	-
Vocational	-	-	-	-
Adult/Continuing	-	-	-	-
<b>Support Services:</b>				
Pupils	-	2,314,117	-	-
Instructional Staff	6,501	12,930	138,228	-
Administration	557	146,111	-	-
Fiscal	4,251	-	995	-
Plant Operation and Maintenance	-	-	-	-
Pupil Transportation	-	-	-	-
Central	-	-	-	646,107
Non-Instructional Services	3,543	-	-	-
Extracurricular Activities	-	-	-	-
Intergovernmental	-	-	-	-
<b>Debt Service:</b>				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>74,646</b>	<b>2,473,625</b>	<b>139,223</b>	<b>646,107</b>
<b>Excess of Revenues Over(Under)</b>				
Expenditures	280,134	46,916	2,602	103,423
<b>Other Financing Sources:</b>				
Transfers-In	-	-	-	-
Transfers-Out	-	-	-	-
<b>Net Change in Fund Balance</b>	<b>280,134</b>	<b>46,916</b>	<b>2,602</b>	<b>103,423</b>
<b>Fund Balance at Beginning of Year</b>	<b>(187,710)</b>	<b>(246,937)</b>	<b>(3,066)</b>	<b>176,406</b>
<b>Fund Balance at End of Year</b>	<b>\$ 92,424</b>	<b>\$ (200,021)</b>	<b>\$ (464)</b>	<b>\$ 279,829</b>

Title VI-R Classroom Size Reduction	Miscellaneous Federal Grants	Special Trust	Food Service	Uniformed School Supplies	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 849,883
2,206,213	1,873,457	-	7,242,706	-	56,616,794
-	-	-	35,265	-	127,587
-	-	-	-	-	27,683
-	-	-	3,228,825	26,260	3,255,085
-	-	2,486	-	-	2,486
-	-	-	-	-	789,290
-	-	-	-	-	1,498,271
<u>2,206,213</u>	<u>1,873,457</u>	<u>2,486</u>	<u>10,506,796</u>	<u>26,260</u>	<u>63,167,079</u>
-	-	-	-	45,372	10,740,659
1,819,218	144,619	-	-	-	14,019,545
-	-	-	-	-	694,674
-	-	-	-	-	608,017
-	912,514	-	-	-	4,685,516
490,295	623,307	7,239	-	-	8,765,817
-	196,547	-	-	-	2,544,386
53,367	1,437	-	-	-	369,124
-	-	-	170,261	-	1,556,535
-	-	-	-	-	45,801
-	-	-	-	-	1,096,899
12,634	-	-	10,368,124	-	13,564,279
-	-	-	-	-	588,361
-	-	-	-	-	3,542,575
-	-	-	-	-	18,466
-	-	-	-	-	4,796
<u>2,375,514</u>	<u>1,878,424</u>	<u>7,239</u>	<u>10,538,385</u>	<u>45,372</u>	<u>62,845,450</u>
(169,301)	(4,967)	(4,753)	(31,589)	(19,112)	321,629
-	-	-	-	-	389,868
-	-	-	-	-	(3,000,000)
(169,301)	(4,967)	(4,753)	(31,589)	(19,112)	(2,288,503)
<u>297,664</u>	<u>(2,653)</u>	<u>71,188</u>	<u>1,292,138</u>	<u>27,545</u>	<u>7,707,548</u>
<u>\$ 128,363</u>	<u>\$ (7,620)</u>	<u>\$ 66,435</u>	<u>\$ 1,260,549</u>	<u>\$ 8,433</u>	<u>\$ 5,419,045</u>

**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, 2004

	Permanent Improvement	Replacement	SchoolNet
Revenues:			
Taxes	\$ 849,884	\$ -	\$ -
Intergovernmental	94,148	-	483,225
Interest	-	3,834	-
Miscellaneous	-	-	-
Total Revenues	<u>944,032</u>	<u>3,834</u>	<u>483,225</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	10,857	-	-
Plant Operation and Maintenance	167,054	-	-
Capital Outlay	-	-	353,602
Total Expenditures	<u>177,911</u>	<u>-</u>	<u>353,602</u>
Excess of Revenues Over(Under) Expenditures	<u>766,121</u>	<u>3,834</u>	<u>129,623</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Long-term Notes	3,500,000	-	-
Transfers-In	-	-	-
Total Other Financing Sources (Uses)	<u>3,500,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	4,266,121	3,834	129,623
Fund Balance at Beginning of Year	<u>418,307</u>	<u>200,602</u>	<u>(1,864)</u>
Fund Balance at End of Year	<u>\$ 4,684,428</u>	<u>\$ 204,436</u>	<u>\$ 127,759</u>

Interactive Video Distance Learning	School Building Assistance Limited	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ 849,884
-	-	577,373
-	80,527	84,361
-	569	569
-	81,096	1,512,187
-	-	10,857
-	124,631	291,685
-	2,622,833	2,976,435
-	2,747,464	3,278,977
-	(2,666,368)	(1,766,790)
-	-	3,500,000
-	1,968,671	1,968,671
-	1,968,671	5,468,671
-	(697,697)	3,701,881
11,142	3,243,018	3,871,205
<u>\$ 11,142</u>	<u>\$ 2,545,321</u>	<u>\$ 7,573,086</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
OTHER GRANT ROTARY - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Extracurricular Activities	\$ 45,000	\$ 27,683	\$ 27,683	\$ -
Total Revenues	<u>45,000</u>	<u>27,683</u>	<u>27,683</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	<u>168,809</u>	<u>153,016</u>	<u>30,470</u>	<u>122,546</u>
Total Expenditures	<u>168,809</u>	<u>153,016</u>	<u>30,470</u>	<u>122,546</u>
Excess of Revenues Over(Under) Expenditures	<u>(123,809)</u>	<u>(125,333)</u>	<u>(2,787)</u>	<u>122,546</u>
Other Financing Sources (Uses):				
Transfers-Out	<u>(81)</u>	<u>(81)</u>	<u>-</u>	<u>81</u>
Total Other Financing Sources (Uses)	<u>(81)</u>	<u>(81)</u>	<u>-</u>	<u>81</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	<u>(123,890)</u>	<u>(125,414)</u>	<u>(2,787)</u>	<u>122,627</u>
Fund Balance at Beginning of Year	116,500	118,038	118,038	-
Prior Year Encumbrances Appropriated	<u>7,390</u>	<u>7,390</u>	<u>7,390</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ 122,641</u>	<u>\$ 122,627</u>



**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
PUBLIC SCHOOL SUPPORT - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Extracurricular Activities	\$ 318,557	\$ 313,639	\$ 314,947	\$ 1,308
Miscellaneous	11,443	11,266	11,270	4
<b>Total Revenues</b>	<b>330,000</b>	<b>324,905</b>	<b>326,217</b>	<b>1,312</b>
Expenditures:				
Current:				
Instruction:				
Regular	829,311	825,557	406,084	419,473
Support Services:				
Pupils	56,502	60,609	3,082	57,527
Instructional Staff	3,413	3,413	-	3,413
Plant Operation and Maintenance	2,960	2,960	975	1,985
Central	12	12	-	12
<b>Total Expenditures</b>	<b>892,198</b>	<b>892,551</b>	<b>410,141</b>	<b>482,410</b>
Excess of Revenues Over(Under) Expenditures	(562,198)	(567,646)	(83,924)	483,722
Other Financing Sources (Uses):				
Transfers-Out	(78)	(78)	-	78
<b>Total Other Financing Sources (Uses)</b>	<b>(78)</b>	<b>(78)</b>	<b>-</b>	<b>78</b>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(562,276)	(567,724)	(83,924)	483,800
Fund Balance at Beginning of Year	519,000	524,492	524,492	-
Prior Year Encumbrances Appropriated	43,276	43,276	43,276	-
<b>Fund Balance at End of Year</b>	<b>\$ -</b>	<b>\$ 44</b>	<b>\$ 483,844</b>	<b>\$ 483,800</b>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
OTHER LOCAL GRANTS FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Miscellaneous	\$ 411,765	\$ 1,213,649	\$ 1,213,733	\$ 84
Total Revenues	<u>411,765</u>	<u>1,213,649</u>	<u>1,213,733</u>	<u>84</u>
Expenditures:				
Current:				
Instruction:				
Regular	473,802	380,694	281,462	99,232
Special	2,499	9,651	1,854	7,797
Vocational	4,771	4,771	450	4,321
Support Services:				
Pupils	170,393	773,013	606,948	166,065
Instructional Staff	168,619	492,545	486,615	5,930
Administration	(14,956)	14,692	8,826	5,866
Extracurricular Activities	4,158	25,609	3,426	22,183
Total Expenditures	<u>809,286</u>	<u>1,700,975</u>	<u>1,389,581</u>	<u>311,394</u>
Excess of Revenues Over(Under) Expenditures	<u>(397,521)</u>	<u>(487,326)</u>	<u>(175,848)</u>	<u>311,478</u>
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	-	(112)	(112)	-
Advances-Out	-	(25,000)	(25,000)	-
Transfers-In	-	36,952	36,868	(84)
Total Other Financing Sources (Uses)	<u>-</u>	<u>11,840</u>	<u>11,756</u>	<u>(84)</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	<u>(397,521)</u>	<u>(475,486)</u>	<u>(164,092)</u>	<u>311,394</u>
Fund Balance at Beginning of Year	335,000	406,149	406,149	-
Prior Year Encumbrances Appropriated	<u>62,521</u>	<u>62,521</u>	<u>62,521</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ (6,816)</u>	<u>\$ 304,578</u>	<u>\$ 311,394</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
OECN NETWORK CONNECTIVITY FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support Services:				
Central	43,439	43,181	40,439	2,742
Total Expenditures	43,439	43,181	40,439	2,742
Excess of Revenues Over(Under) Expenditures	(43,439)	(43,181)	(40,439)	2,742
Fund Balance at Beginning of Year	3,000	2,742	2,742	-
Prior Year Encumbrances Appropriated	40,439	40,439	40,439	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,742</u>	<u>\$ 2,742</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
CLASSROOM MAINTENANCE FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 800,000	\$ 805,539	\$ 818,496	\$ 12,957
Intergovernmental	-	92,658	94,148	1,490
<b>Total Revenues</b>	<b>800,000</b>	<b>898,197</b>	<b>912,644</b>	<b>14,447</b>
Expenditures:				
Current:				
Support Services:				
Fiscal	-	10,858	10,858	-
Capital Outlay	1,190,000	1,292,566	-	1,292,566
<b>Total Expenditures</b>	<b>1,190,000</b>	<b>1,303,424</b>	<b>10,858</b>	<b>1,292,566</b>
Excess of Revenues Over(Under) Expenditures	(390,000)	(405,227)	901,786	1,307,013
Fund Balance at Beginning of Year	390,000	405,227	405,227	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,307,013</u>	<u>\$ 1,307,013</u>

**DAYTON SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
DISTRICT MANAGED STUDENT ACTIVITIES FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Extracurricular Activities	\$ 1,100,000	\$ 489,834	\$ 490,569	\$ 735
Total Revenues	<u>1,100,000</u>	<u>489,834</u>	<u>490,569</u>	<u>735</u>
Expenditures:				
Current:				
Support Services:				
Plant Operation and Maintenance	32,555	32,555	32,555	-
Extracurricular Activities	1,911,644	1,541,229	740,320	800,909
Total Expenditures	<u>1,944,199</u>	<u>1,573,784</u>	<u>772,875</u>	<u>800,909</u>
Excess of Revenues Over(Under) Expenditures	<u>(844,199)</u>	<u>(1,083,950)</u>	<u>(282,306)</u>	<u>801,644</u>
Other Financing Sources (Uses):				
Transfers-In	-	352,471	353,000	529
Transfers-Out	(15,353)	(15,353)	-	15,353
Total Other Financing Sources (Uses)	<u>(15,353)</u>	<u>337,118</u>	<u>353,000</u>	<u>15,882</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	<u>(859,552)</u>	<u>(746,832)</u>	<u>70,694</u>	<u>817,526</u>
Fund Balance at Beginning of Year	657,000	558,715	558,715	-
Prior Year Encumbrances Appropriated	<u>202,552</u>	<u>202,552</u>	<u>202,552</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 14,435</u>	<u>\$ 831,961</u>	<u>\$ 817,526</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
AUXILIARY SERVICES FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 2,042,504	\$ 2,174,179	\$ 2,174,179	\$ -
Interest	13,696	14,579	15,525	946
<b>Total Revenues</b>	<b>2,056,200</b>	<b>2,188,758</b>	<b>2,189,704</b>	<b>946</b>
Expenditures:				
Current:				
Non-Instructional Services	3,229,809	3,230,353	2,835,402	394,951
<b>Total Expenditures</b>	<b>3,229,809</b>	<b>3,230,353</b>	<b>2,835,402</b>	<b>394,951</b>
Excess of Revenues Over(Under) Expenditures	(1,173,609)	(1,041,595)	(645,698)	395,897
Other Financing Sources (Uses):				
Refund of Prior Year Expenditures	-	(105,574)	(105,574)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(105,574)</b>	<b>(105,574)</b>	<b>-</b>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(1,173,609)	(1,147,169)	(751,272)	395,897
Fund Balance at Beginning of Year	189,300	167,760	167,760	-
Prior Year Encumbrances Appropriated	984,309	984,309	984,309	-
<b>Fund Balance at End of Year</b>	<b>\$ -</b>	<b>\$ 4,900</b>	<b>\$ 400,797</b>	<b>\$ 395,897</b>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TEACHER DEVELOPMENT FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ 132,705	\$ 52,705	\$ (80,000)
Total Revenues	<u>-</u>	<u>132,705</u>	<u>52,705</u>	<u>(80,000)</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>-</u>	<u>292,804</u>	<u>227,813</u>	<u>64,991</u>
Total Expenditures	<u>-</u>	<u>292,804</u>	<u>227,813</u>	<u>64,991</u>
Excess of Revenues Over(Under) Expenditures	<u>-</u>	<u>(160,099)</u>	<u>(175,108)</u>	<u>(15,009)</u>
Other Financing Sources (Uses):				
Advances-In	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>80,000</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>80,000</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	<u>-</u>	<u>(160,099)</u>	<u>(95,108)</u>	<u>64,991</u>
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ (160,099)</u>	<u>\$ (95,108)</u>	<u>\$ 64,991</u>

**DAYTON SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
MANAGEMENT INFORMATION SYSTEMS FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 85,000	\$ 69,470	\$ 69,470	\$ -
Total Revenues	<u>85,000</u>	<u>69,470</u>	<u>69,470</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Central	<u>153,000</u>	<u>109,312</u>	<u>72,941</u>	<u>36,371</u>
Total Expenditures	<u>153,000</u>	<u>109,312</u>	<u>72,941</u>	<u>36,371</u>
Excess of Revenues Over(Under) Expenditures	(68,000)	(39,842)	(3,471)	36,371
Fund Balance at Beginning of Year	67,770	66,199	66,199	-
Prior Year Encumbrances Appropriated	<u>230</u>	<u>230</u>	<u>230</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ 26,587</u></u>	<u><u>\$ 62,958</u></u>	<u><u>\$ 36,371</u></u>



**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
PUBLIC SCHOOL PRESCHOOL FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 288,277	\$ 345,152	\$ 295,152	\$ (50,000)
Miscellaneous	6,723	8,050	8,050	-
<b>Total Revenues</b>	<b>295,000</b>	<b>353,202</b>	<b>303,202</b>	<b>(50,000)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	330,545	114,272	114,162	110
<b>Support Services:</b>				
Pupils	4,301	55,238	51,431	3,807
Instructional Staff	736	113,863	112,277	1,586
Fiscal	-	35,135	37,350	(2,215)
Pupil Transportation	6,078	6,078	6,078	-
<b>Total Expenditures</b>	<b>341,660</b>	<b>324,586</b>	<b>321,298</b>	<b>3,288</b>
<b>Excess of Revenues Over(Under)</b>				
Expenditures	(46,660)	28,616	(18,096)	(46,712)
<b>Other Financing Sources (Uses):</b>				
Refund of Prior Year Receipts	-	(6,446)	(6,446)	-
Advances-In	-	-	50,000	50,000
Advances-Out	-	(80,000)	(80,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(86,446)</b>	<b>(36,446)</b>	<b>50,000</b>
<b>Excess of Revenues and Other</b>				
<b>Financing Sources Over(Under)</b>				
Expenditures and Other Financing Uses	(46,660)	(57,830)	(54,542)	3,288
Fund Balance at Beginning of Year	20,000	94,948	94,948	-
Prior Year Encumbrances Appropriated	26,660	26,660	26,660	-
<b>Fund Balance at End of Year</b>	<b>\$ -</b>	<b>\$ 63,778</b>	<b>\$ 67,066</b>	<b>\$ 3,288</b>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ENTRY YEAR PROGRAM FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ 11,000	\$ 11,000	\$ -
Total Revenues	-	11,000	11,000	-
Expenditures:				
Current:				
Support Services:				
Instructional Staff	-	11,000	11,000	-
Total Expenditures	-	11,000	11,000	-
Excess of Revenues Over(Under) Expenditures	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

**DAYTON SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
DISADVANTAGED PUPIL IMPACT AID FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 15,000,000	\$ 16,416,833	\$ 16,416,833	\$ -
Total Revenues	<u>15,000,000</u>	<u>16,416,833</u>	<u>16,416,833</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	8,937,609	9,769,390	9,769,390	-
Special	879,999	2,056,383	2,056,383	-
Vocational	-	49,902	49,902	-
Support Services:				
Pupils	280	26,910	26,910	-
Instructional Staff	-	21,180	21,180	-
Administration	-	2,251	2,251	-
Plant Operation and Maintenance	429,739	1,310,214	1,310,214	-
Central	-	25,653	25,653	-
Total Expenditures	<u>10,247,627</u>	<u>13,261,883</u>	<u>13,261,883</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	<u>4,752,373</u>	<u>3,154,950</u>	<u>3,154,950</u>	<u>-</u>
Other Financing Sources (Uses):				
Pass Through Payments	<u>(4,740,000)</u>	<u>(3,542,575)</u>	<u>(3,542,575)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(4,740,000)</u>	<u>(3,542,575)</u>	<u>(3,542,575)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	12,373	(387,625)	(387,625)	-
Fund Balance at Beginning of Year	(400,000)	-	-	-
Prior Year Encumbrances Appropriated	<u>387,627</u>	<u>387,627</u>	<u>387,627</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ -</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
DATA COMMUNICATION FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 185,000	\$ 222,288	\$ 222,228	\$ (60)
Total Revenues	<u>185,000</u>	<u>222,288</u>	<u>222,228</u>	<u>(60)</u>
Expenditures:				
Current:				
Support Services:				
Central	<u>406,574</u>	<u>444,389</u>	<u>362,351</u>	<u>82,038</u>
Total Expenditures	<u>406,574</u>	<u>444,389</u>	<u>362,351</u>	<u>82,038</u>
Excess of Revenues Over(Under) Expenditures	(221,574)	(222,101)	(140,123)	81,978
Fund Balance at Beginning of Year	176,500	177,027	177,027	-
Prior Year Encumbrances Appropriated	<u>45,074</u>	<u>45,074</u>	<u>45,074</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,978</u>	<u>\$ 81,978</u>

**DAYTON SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SCHOOLNET PROFESSIONAL DEVELOPMENT FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ 23,750	\$ 23,750	\$ -
Total Revenues	<u>-</u>	<u>23,750</u>	<u>23,750</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>12,500</u>	<u>30,144</u>	<u>11,233</u>	<u>18,911</u>
Total Expenditures	<u>12,500</u>	<u>30,144</u>	<u>11,233</u>	<u>18,911</u>
Excess of Revenues Over(Under) Expenditures	<u>(12,500)</u>	<u>(6,394)</u>	<u>12,517</u>	<u>18,911</u>
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	<u>-</u>	<u>(6,106)</u>	<u>(6,106)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(6,106)</u>	<u>(6,106)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	<u>(12,500)</u>	<u>(12,500)</u>	<u>6,411</u>	<u>18,911</u>
Fund Balance at Beginning of Year	<u>12,500</u>	<u>12,500</u>	<u>12,500</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,911</u>	<u>\$ 18,911</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TEXTBOOK/INSTRUCTIONAL MATERIALS SUBSIDY FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction:				
Regular	59,837	59,837	-	59,837
Total Expenditures	59,837	59,837	-	59,837
Excess of Revenues Over(Under) Expenditures	(59,837)	(59,837)	-	59,837
Fund Balance at Beginning of Year	59,837	59,837	59,837	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,837</u>	<u>\$ 59,837</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
OHIO READS FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 314,000	\$ 123,500	\$ 123,500	\$ -
Total Revenues	<u>314,000</u>	<u>123,500</u>	<u>123,500</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	372,208	146,495	143,559	2,936
Support Services:				
Pupils	3,400	23,448	23,017	431
Instructional Staff	15,692	1,200	1,200	-
Fiscal	1,000	266	266	-
Pupil Transportation	1,500	2,000	890	1,110
Total Expenditures	<u>393,800</u>	<u>173,409</u>	<u>168,932</u>	<u>4,477</u>
Excess of Revenues Over(Under) Expenditures	<u>(79,800)</u>	<u>(49,909)</u>	<u>(45,432)</u>	<u>4,477</u>
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	<u>-</u>	<u>(31,217)</u>	<u>(31,217)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(31,217)</u>	<u>(31,217)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	<u>(79,800)</u>	<u>(81,126)</u>	<u>(76,649)</u>	<u>4,477</u>
Fund Balance at Beginning of Year	23,500	24,326	24,326	-
Prior Year Encumbrances Appropriated	<u>56,801</u>	<u>56,801</u>	<u>56,801</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 501</u>	<u>\$ 1</u>	<u>\$ 4,478</u>	<u>\$ 4,477</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SUMMER INTERVENTION FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ 529,941	\$ 379,941	\$ (150,000)
Total Revenues	-	529,941	379,941	(150,000)
Expenditures:				
Current:				
Instruction:				
Regular	-	79,895	672	79,223
Special	-	553,255	388,970	164,285
Support Services:				
Instructional Staff	-	50,918	21,177	29,741
Pupil Transportation	-	11,560	1,080	10,480
Total Expenditures	-	695,628	411,899	283,729
Excess of Revenues Over(Under) Expenditures	-	(165,687)	(31,958)	133,729
Other Financing Sources (Uses):				
Advances-In	-	-	150,000	150,000
Total Other Financing Sources (Uses)	-	-	150,000	150,000
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	-	(165,687)	118,042	283,729
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ (165,687)	\$ 118,042	\$ 283,729



**DAYTON SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
VOCATIONAL EDUCATION ENHANCEMENT - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 44,000	\$ 35,107	\$ 35,107	\$ -
Total Revenues	<u>44,000</u>	<u>35,107</u>	<u>35,107</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Vocational	51,236	34,785	34,785	-
Support Services:				
Pupils	-	3,181	3,181	-
Pupil Transportation	-	980	980	-
Total Expenditures	<u>51,236</u>	<u>38,946</u>	<u>38,946</u>	<u>-</u>
Excess of Revenues Over(Under) Expenditures	<u>(7,236)</u>	<u>(3,839)</u>	<u>(3,839)</u>	<u>-</u>
Other Financing Sources (Uses):				
Advances-In	-	4,500	4,500	-
Advances-Out	-	(6,662)	(6,662)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(2,162)</u>	<u>(2,162)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	<u>(7,236)</u>	<u>(6,001)</u>	<u>(6,001)</u>	<u>-</u>
Fund Balance at Beginning of Year	999	-	-	-
Prior Year Encumbrances Appropriated	<u>6,237</u>	<u>6,237</u>	<u>6,237</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 236</u>	<u>\$ 236</u>	<u>\$ -</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ALTERNATIVE SCHOOLS FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 346,000	\$ 301,000	\$ 301,000	\$ -
Total Revenues	<u>346,000</u>	<u>301,000</u>	<u>301,000</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Pupils	344,613	313,470	306,073	7,397
Administration	1,487	39,431	37,469	1,962
Total Expenditures	<u>346,100</u>	<u>352,901</u>	<u>343,542</u>	<u>9,359</u>
Excess of Revenues Over(Under) Expenditures	<u>(100)</u>	<u>(51,901)</u>	<u>(42,542)</u>	<u>9,359</u>
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	-	(177)	(177)	-
Advances-In	-	75,000	75,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>74,823</u>	<u>74,823</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	<u>(100)</u>	<u>22,922</u>	<u>32,281</u>	<u>9,359</u>
Fund Balance at Beginning of Year	(600)	1,489	1,489	-
Prior Year Encumbrances Appropriated	<u>700</u>	<u>700</u>	<u>700</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 25,111</u>	<u>\$ 34,470</u>	<u>\$ 9,359</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
MISCELLANEOUS STATE GRANTS FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 151,000	\$ 86,252	\$ 86,252	\$ -
Total Revenues	<u>151,000</u>	<u>86,252</u>	<u>86,252</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	199,940	47,375	-	47,375
Support Services:				
Pupils	24,053	79,583	24,930	54,653
Instructional Staff	950	14,000	9,735	4,265
Administration	3,562	2,231	2,231	-
Fiscal	1,510	2,955	1,510	1,445
Total Expenditures	<u>230,015</u>	<u>146,144</u>	<u>38,406</u>	<u>107,738</u>
Excess of Revenues Over(Under) Expenditures	<u>(79,015)</u>	<u>(59,892)</u>	<u>47,846</u>	<u>107,738</u>
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	<u>-</u>	<u>(18,984)</u>	<u>(18,984)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(18,984)</u>	<u>(18,984)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	<u>(79,015)</u>	<u>(78,876)</u>	<u>28,862</u>	<u>107,738</u>
Fund Balance at Beginning of Year	54,500	54,364	54,364	-
Prior Year Encumbrances Appropriated	<u>24,515</u>	<u>24,515</u>	<u>24,515</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 107,741</u>	<u>\$ 107,738</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ADULT BASIC EDUCATION FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 752,750	\$ 824,201	\$ 724,201	\$ (100,000)
Miscellaneous	-	400	400	-
Total Revenues	<u>752,750</u>	<u>824,601</u>	<u>724,601</u>	<u>(100,000)</u>
Expenditures:				
Current:				
Instruction:				
Adult/Continuing	497,908	608,437	557,437	51,000
Support Services:				
Pupils	93	493	394	99
Instructional Staff	251,665	239,378	184,850	54,528
Pupil Transportation	5,156	7,099	5,361	1,738
Total Expenditures	<u>754,822</u>	<u>855,407</u>	<u>748,042</u>	<u>107,365</u>
Excess of Revenues Over(Under) Expenditures	<u>(2,072)</u>	<u>(30,806)</u>	<u>(23,441)</u>	<u>7,365</u>
Other Financing Sources (Uses):				
Advances-In	-	-	100,000	100,000
Advances-Out	-	(85,000)	(85,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(85,000)</u>	<u>15,000</u>	<u>100,000</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	<u>(2,072)</u>	<u>(115,806)</u>	<u>(8,441)</u>	<u>107,365</u>
Fund Balance at Beginning of Year	(41,600)	27,680	27,680	-
Prior Year Encumbrances Appropriated	<u>43,672</u>	<u>43,672</u>	<u>43,672</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ (44,454)</u>	<u>\$ 62,911</u>	<u>\$ 107,365</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TITLE VI-B FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 2,900,000	\$ 3,415,524	\$ 3,415,524	\$ -
Total Revenues	<u>2,900,000</u>	<u>3,415,524</u>	<u>3,415,524</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	2,340	-	2,340
Special	2,841,413	1,499,670	1,396,140	103,530
Support Services:				
Pupils	7,929	26,150	25,348	802
Instructional Staff	80,393	2,046,361	1,969,875	76,486
Administration	18,424	193,567	176,937	16,630
Fiscal	56,646	139,124	56,646	82,478
Non-Instructional Services	<u>39,089</u>	<u>382,122</u>	<u>346,940</u>	<u>35,182</u>
Total Expenditures	<u>3,043,894</u>	<u>4,289,334</u>	<u>3,971,886</u>	<u>317,448</u>
Excess of Revenues Over(Under) Expenditures	(143,894)	(873,810)	(556,362)	317,448
Fund Balance at Beginning of Year	(491,000)	(216,407)	(216,407)	-
Prior Year Encumbrances Appropriated	<u>634,894</u>	<u>634,894</u>	<u>634,894</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ (455,323)</u>	<u>\$ (137,875)</u>	<u>\$ 317,448</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
VOCATIONAL EDUCATION FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 898,800	\$ 1,091,217	\$ 941,217	\$ (150,000)
Total Revenues	<u>898,800</u>	<u>1,091,217</u>	<u>941,217</u>	<u>(150,000)</u>
Expenditures:				
Current:				
Instruction:				
Vocational	936,561	657,684	641,161	16,523
Support Services:				
Pupils	4,295	65,602	63,197	2,405
Instructional Staff	-	23,178	23,178	-
Administration	44,855	81,380	42,132	39,248
Pupil Transportation	-	18,849	18,849	-
Central	9,106	72,745	72,745	-
Extracurricular Activities	10,690	10,465	10,465	-
Total Expenditures	<u>1,005,507</u>	<u>929,903</u>	<u>871,727</u>	<u>58,176</u>
Excess of Revenues Over(Under) Expenditures	<u>(106,707)</u>	<u>161,314</u>	<u>69,490</u>	<u>(91,824)</u>
Other Financing Sources (Uses):				
Advances-In	-	-	150,000	150,000
Advances-Out	-	(300,000)	(300,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(300,000)</u>	<u>(150,000)</u>	<u>150,000</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	<u>(106,707)</u>	<u>(138,686)</u>	<u>(80,510)</u>	<u>58,176</u>
Fund Balance at Beginning of Year	20,000	67,049	67,049	-
Prior Year Encumbrances Appropriated	<u>86,707</u>	<u>86,707</u>	<u>86,707</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 15,070</u>	<u>\$ 73,246</u>	<u>\$ 58,176</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
HEADSTART GRANT FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 1,600,000	\$ 1,701,160	\$ 1,701,160	\$ -
Total Revenues	<u>1,600,000</u>	<u>1,701,160</u>	<u>1,701,160</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Special	1,848,676	2,522,429	1,719,698	802,731
Support Services:				
Instructional Staff	24,987	47,985	43,360	4,625
Administration	11,649	12,542	12,322	220
Total Expenditures	<u>1,885,312</u>	<u>2,582,956</u>	<u>1,775,380</u>	<u>807,576</u>
Excess of Revenues Over(Under) Expenditures	(285,312)	(881,796)	(74,220)	807,576
Fund Balance at Beginning of Year	258,000	31,674	31,674	-
Prior Year Encumbrances Appropriated	<u>27,312</u>	<u>27,312</u>	<u>27,312</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ (822,810)</u>	<u>\$ (15,234)</u>	<u>\$ 807,576</u>

**DAYTON SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
DROPOUT PREVENTION AND INTERVENTION FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 30,000	\$ 31,457	\$ 6,457	\$ (25,000)
Total Revenues	<u>30,000</u>	<u>31,457</u>	<u>6,457</u>	<u>(25,000)</u>
Expenditures:				
Current:				
Instruction:				
Special	21,077	15,245	13,035	2,210
Support Services:				
Instructional Staff	<u>10,609</u>	<u>46,479</u>	<u>19,088</u>	<u>27,391</u>
Total Expenditures	<u>31,686</u>	<u>61,724</u>	<u>32,123</u>	<u>29,601</u>
Excess of Revenues Over(Under) Expenditures	(1,686)	(30,267)	(25,666)	4,601
Other Financing Sources (Uses):				
Advances-In	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(1,686)	(30,267)	(666)	29,601
Fund Balance at Beginning of Year	-	2,740	2,740	-
Prior Year Encumbrances Appropriated	<u>1,686</u>	<u>1,686</u>	<u>1,686</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ (25,841)</u>	<u>\$ 3,760</u>	<u>\$ 29,601</u>



**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TITLE I GRANT FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 11,430,000	\$ 13,898,200	\$ 13,898,200	\$ -
Total Revenues	<u>11,430,000</u>	<u>13,898,200</u>	<u>13,898,200</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	55,685	177,599	92,448	85,151
Special	4,574,270	8,964,870	7,788,615	1,176,255
Adult/Continuing	8,047	87,011	64,709	22,302
Support Services:				
Pupils	621,699	755,805	268,435	487,370
Instructional Staff	2,995,482	6,675,970	4,821,710	1,854,260
Administration	2,162,086	2,998,489	2,239,706	758,783
Fiscal	275,406	537,722	202,361	335,361
Pupil Transportation	33,933	549,197	23,797	525,400
Central	1,894	1,894	1,894	-
Non-Instructional Services	861,365	745,623	604,768	140,855
Total Expenditures	<u>11,589,867</u>	<u>21,494,180</u>	<u>16,108,443</u>	<u>5,385,737</u>
Excess of Revenues Over(Under) Expenditures	<u>(159,867)</u>	<u>(7,595,980)</u>	<u>(2,210,243)</u>	<u>5,385,737</u>
Fund Balance at Beginning of Year	(1,133,000)	37,863	37,863	-
Prior Year Encumbrances Appropriated	<u>1,292,867</u>	<u>1,292,867</u>	<u>1,292,867</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ (6,265,250)</u>	<u>\$ (879,513)</u>	<u>\$ 5,385,737</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TITLE VI FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 330,000	\$ 354,780	\$ 354,780	\$ -
Total Revenues	<u>330,000</u>	<u>354,780</u>	<u>354,780</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Special	324,064	1,472,084	239,133	1,232,951
Support Services:				
Instructional Staff	1,160	77,116	6,501	70,615
Administration	92	83,994	1,877	82,117
Fiscal	4,251	4,251	4,251	-
Non-Instructional Services	<u>16,765</u>	<u>42,763</u>	<u>19,173</u>	<u>23,590</u>
Total Expenditures	<u>346,332</u>	<u>1,680,208</u>	<u>270,935</u>	<u>1,409,273</u>
Excess of Revenues Over(Under) Expenditures	<u>(16,332)</u>	<u>(1,325,428)</u>	<u>83,845</u>	<u>1,409,273</u>
Other Financing Sources (Uses):				
Advances-Out	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>(200,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>(200,000)</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(16,332)	(1,325,428)	(116,155)	1,209,273
Fund Balance at Beginning of Year	2,000	11,051	11,051	-
Prior Year Encumbrances Appropriated	<u>14,332</u>	<u>14,332</u>	<u>14,332</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ (1,300,045)</u>	<u>\$ (90,772)</u>	<u>\$ 1,209,273</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
DRUG FREE SCHOOL GRANT - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 3,352,584	\$ 3,425,251	\$ 2,475,251	\$ (950,000)
Total Revenues	<u>3,352,584</u>	<u>3,425,251</u>	<u>2,475,251</u>	<u>(950,000)</u>
Expenditures:				
Current:				
Instruction:				
Special	29,580	29,580	20,214	9,366
Support Services:				
Pupils	2,451,142	5,162,816	2,633,920	2,528,896
Administration	110,398	250,908	146,662	104,246
Fiscal	178,350	275,413	-	275,413
Pupil Transportation	104,228	156,142	-	156,142
Non-Instructional Services	4,198	8,554	2,568	5,986
Total Expenditures	<u>2,877,896</u>	<u>5,883,413</u>	<u>2,803,364</u>	<u>3,080,049</u>
Excess of Revenues Over(Under) Expenditures	<u>474,688</u>	<u>(2,458,162)</u>	<u>(328,113)</u>	<u>2,130,049</u>
Other Financing Sources (Uses):				
Advances-In	-	-	950,000	950,000
Advances-Out	-	(300,000)	(475,000)	(175,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(300,000)</u>	<u>475,000</u>	<u>775,000</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	<u>474,688</u>	<u>(2,758,162)</u>	<u>146,887</u>	<u>2,905,049</u>
Fund Balance at Beginning of Year	(1,301,511)	(450,983)	(450,983)	-
Prior Year Encumbrances Appropriated	<u>826,823</u>	<u>826,823</u>	<u>826,823</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ (2,382,322)</u>	<u>\$ 522,727</u>	<u>\$ 2,905,049</u>

**DAYTON SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
EHA PRESCHOOL GRANTS FOR THE HANDICAPPED FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 145,000	\$ 139,354	\$ 139,354	\$ -
Total Revenues	<u>145,000</u>	<u>139,354</u>	<u>139,354</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	145,563	142,897	142,897	-
Fiscal	<u>3,450</u>	<u>4,324</u>	<u>3,427</u>	<u>897</u>
Total Expenditures	<u>149,013</u>	<u>147,221</u>	<u>146,324</u>	<u>897</u>
Excess of Revenues Over(Under) Expenditures	(4,013)	(7,867)	(6,970)	897
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	-	(346)	-	346
Advances-In	<u>-</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,654</u>	<u>4,000</u>	<u>346</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(4,013)	(4,213)	(2,970)	1,243
Fund Balance at Beginning of Year	2,600	3,519	3,519	-
Prior Year Encumbrances Appropriated	<u>1,413</u>	<u>1,413</u>	<u>1,413</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 719</u>	<u>\$ 1,962</u>	<u>\$ 1,243</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
E-RATE GRANT FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 245,640	\$ 749,953	\$ 749,953	\$ -
Total Revenues	<u>245,640</u>	<u>749,953</u>	<u>749,953</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Central	<u>434,837</u>	<u>935,004</u>	<u>818,965</u>	<u>116,039</u>
Total Expenditures	<u>434,837</u>	<u>935,004</u>	<u>818,965</u>	<u>116,039</u>
Excess of Revenues Over(Under) Expenditures	(189,197)	(185,051)	(69,012)	116,039
Fund Balance at Beginning of Year	108,000	104,227	104,227	-
Prior Year Encumbrances Appropriated	<u>81,197</u>	<u>81,197</u>	<u>81,197</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 373</u>	<u>\$ 116,412</u>	<u>\$ 116,039</u>

**DAYTON SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TITLE VI-R CLASSROOM SIZE REDUCTION FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 2,700,000	\$ 2,206,213	\$ 2,206,213	\$ -
Total Revenues	<u>2,700,000</u>	<u>2,206,213</u>	<u>2,206,213</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Special	1,626,789	2,362,574	1,788,234	574,340
Support Services:				
Instructional Staff	996,899	928,506	501,118	427,388
Fiscal	61,000	83,129	57,689	25,440
Non-Instructional Services	12,234	36,478	16,084	20,394
Total Expenditures	<u>2,696,922</u>	<u>3,410,687</u>	<u>2,363,125</u>	<u>1,047,562</u>
Excess of Revenues Over(Under)				
Expenditures	3,078	(1,204,474)	(156,912)	1,047,562
Fund Balance at Beginning of Year	(178,900)	340,926	340,926	-
Prior Year Encumbrances Appropriated	<u>175,822</u>	<u>175,822</u>	<u>175,822</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ (687,726)</u>	<u>\$ 359,836</u>	<u>\$ 1,047,562</u>

**DAYTON SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
MISCELLANEOUS FEDERAL GRANTS FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 1,075,245	\$ 2,071,279	\$ 2,010,921	\$ (60,358)
Total Revenues	<u>1,075,245</u>	<u>2,071,279</u>	<u>2,010,921</u>	<u>(60,358)</u>
Expenditures:				
Current:				
Instruction:				
Special	114,749	210,801	158,857	51,944
Support Services:				
Pupils	386,406	2,094,998	1,256,293	838,705
Instructional Staff	451,677	1,391,334	1,191,256	200,078
Administration	283,921	567,997	297,301	270,696
Fiscal	27,663	30,450	1,437	29,013
Non-Instructional Services	-	5,000	-	5,000
Total Expenditures	<u>1,264,416</u>	<u>4,300,580</u>	<u>2,905,144</u>	<u>1,395,436</u>
Excess of Revenues Over(Under) Expenditures	<u>(189,171)</u>	<u>(2,229,301)</u>	<u>(894,223)</u>	<u>1,335,078</u>
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	(855)	(19,460)	(19,460)	-
Advances-Out	-	(75,000)	(75,000)	-
Transfers-In	-	-	75,000	75,000
Total Other Financing Sources (Uses)	<u>(855)</u>	<u>(94,460)</u>	<u>(19,460)</u>	<u>75,000</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	<u>(190,026)</u>	<u>(2,323,761)</u>	<u>(913,683)</u>	<u>1,410,078</u>
Fund Balance at Beginning of Year	(358,000)	(382,831)	(382,831)	-
Prior Year Encumbrances Appropriated	<u>548,026</u>	<u>548,026</u>	<u>548,026</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ (2,158,566)</u>	<u>\$ (748,488)</u>	<u>\$ 1,410,078</u>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SPECIAL TRUST FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Miscellaneous	\$ 1,000	\$ 2,486	\$ 2,486	\$ -
Total Revenues	<u>1,000</u>	<u>2,486</u>	<u>2,486</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Pupils	861	861	-	861
Instructional Staff	26,855	29,564	7,239	22,325
Administration	1,953	1,953	-	1,953
Central	41,341	41,341	-	41,341
Total Expenditures	<u>71,010</u>	<u>73,719</u>	<u>7,239</u>	<u>66,480</u>
Excess of Revenues Over(Under) Expenditures	(70,010)	(71,233)	(4,753)	66,480
Fund Balance at Beginning of Year	69,200	70,423	70,423	-
Prior Year Encumbrances Appropriated	<u>810</u>	<u>810</u>	<u>810</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,480</u>	<u>\$ 66,480</u>



**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOOD SERVICE FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 10,328,832	\$ 8,528,393	\$ 6,982,840	\$ (1,545,553)
Interest	39,439	32,564	35,265	2,701
Charges for Services	1,931,729	1,595,005	3,218,792	1,623,787
<b>Total Revenues</b>	<b>12,300,000</b>	<b>10,155,962</b>	<b>10,236,897</b>	<b>80,935</b>
Expenditures:				
Current:				
Support Services:				
Plant Operation and Maintenance	312,796	352,795	205,865	146,930
Non-Instructional Services	11,837,964	10,385,425	10,307,597	77,828
<b>Total Expenditures</b>	<b>12,150,760</b>	<b>10,738,220</b>	<b>10,513,462</b>	<b>224,758</b>
Excess of Revenues Over(Under) Expenditures	149,240	(582,258)	(276,565)	305,693
Fund Balance at Beginning of Year	(556,115)	177,436	177,436	-
Prior Year Encumbrances Appropriated	406,875	406,875	406,875	-
<b>Fund Balance at End of Year</b>	<b>\$ -</b>	<b>\$ 2,053</b>	<b>\$ 307,746</b>	<b>\$ 305,693</b>

**DAYTON SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
UNIFORM SCHOOL SUPPLIES FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Charges for Services	30,000	27,248	27,260	12
Total Revenues	30,000	27,248	27,260	12
Expenditures:				
Current:				
Instruction:				
Regular	56,040	36,492	46,966	(10,474)
Total Expenditures	56,040	36,492	46,966	(10,474)
Excess of Revenues Over(Under) Expenditures	(26,040)	(9,244)	(19,706)	(10,462)
Fund Balance at Beginning of Year	24,100	24,623	24,623	-
Prior Year Encumbrances Appropriated	1,940	1,940	1,940	-
Fund Balance at End of Year	\$ -	\$ 17,319	\$ 6,857	\$ (10,462)

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
PERMANENT IMPROVEMENT - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes	\$ 450,000	\$ 815,816	\$ 818,496	\$ 2,680
Intergovernmental	400,000	93,840	94,148	308
<b>Total Revenues</b>	<b>850,000</b>	<b>909,656</b>	<b>912,644</b>	<b>2,988</b>
Expenditures:				
Current:				
Support Services:				
Fiscal	-	10,858	10,858	-
Plant Operation and Maintenance	1,241,000	4,730,142	1,789,103	2,941,039
<b>Total Expenditures</b>	<b>1,241,000</b>	<b>4,741,000</b>	<b>1,799,961</b>	<b>2,941,039</b>
Excess of Revenues Over(Under) Expenditures	(391,000)	(3,831,344)	(887,317)	2,944,027
Other Financing Sources (Uses):				
Proceeds from Sale of Debt	-	3,488,541	3,500,000	11,459
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>3,488,541</b>	<b>3,500,000</b>	<b>11,459</b>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(391,000)	(342,803)	2,612,683	2,955,486
Fund Balance at Beginning of Year	391,000	405,227	405,227	-
Fund Balance at End of Year	\$ -	\$ 62,424	\$ 3,017,910	\$ 2,955,486

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
REPLACEMENT CAPITAL PROJECTS FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Interest	\$ 10,000	\$ 3,626	\$ 3,834	\$ 208
Total Revenues	<u>10,000</u>	<u>3,626</u>	<u>3,834</u>	<u>208</u>
Expenditures:				
Current:				
Support Services:				
Plant Operation and Maintenance	30,234	36,492	-	36,492
Capital Outlay	<u>3,006,091</u>	<u>176,394</u>	<u>-</u>	<u>176,394</u>
Total Expenditures	<u>3,036,325</u>	<u>212,886</u>	<u>-</u>	<u>212,886</u>
Excess of Revenues Over(Under) Expenditures	(3,026,325)	(209,260)	3,834	213,094
Fund Balance at Beginning of Year	<u>3,026,325</u>	<u>210,030</u>	<u>210,030</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 770</u>	<u>\$ 213,864</u>	<u>\$ 213,094</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SCHOOLNET PLUS FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 15,000	\$ 483,225	\$ 483,225	\$ -
Total Revenues	<u>15,000</u>	<u>483,225</u>	<u>483,225</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Central	<u>15,505</u>	<u>468,481</u>	<u>360,822</u>	<u>107,659</u>
Total Expenditures	<u>15,505</u>	<u>468,481</u>	<u>360,822</u>	<u>107,659</u>
Excess of Revenues Over(Under) Expenditures	(505)	14,744	122,403	107,659
Fund Balance at Beginning of Year	250	-	-	-
Prior Year Encumbrances Appropriated	<u>255</u>	<u>255</u>	<u>255</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 14,999</u>	<u>\$ 122,658</u>	<u>\$ 107,659</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 INTERACTIVE VIDEO DISTANCE LEARNING - BUDGET (NON-GAAP) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support Services:				
Central	11,070	11,142	-	11,142
Total Expenditures	11,070	11,142	-	11,142
Excess of Revenues Over(Under) Expenditures	(11,070)	(11,142)	-	11,142
Fund Balance at Beginning of Year	11,070	11,142	11,142	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,142</u>	<u>\$ 11,142</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SCHOOL BUILDING ASSISTANCE LIMITED FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Interest	\$ -	\$ 67,374	\$ 85,369	\$ 17,995
Miscellaneous	580,000	1,000	1,000	-
Total Revenues	<u>580,000</u>	<u>68,374</u>	<u>86,369</u>	<u>17,995</u>
Expenditures:				
Current:				
Support Services:				
Plant Operation and Maintenance	772,427	844,641	238,046	606,595
Capital Outlay	5,017,141	4,461,243	3,031,832	1,429,411
Total Expenditures	<u>5,789,568</u>	<u>5,305,884</u>	<u>3,269,878</u>	<u>2,036,006</u>
Excess of Revenues Over(Under) Expenditures	<u>(5,209,568)</u>	<u>(5,237,510)</u>	<u>(3,183,509)</u>	<u>2,054,001</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Notes	-	13,040	-	(13,040)
Total Other Financing Sources (Uses)	<u>-</u>	<u>13,040</u>	<u>-</u>	<u>(13,040)</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(5,209,568)	(5,224,470)	(3,183,509)	2,040,961
Fund Balance at Beginning of Year	3,860,000	3,875,199	3,875,199	-
Prior Year Encumbrances Appropriated	<u>1,349,568</u>	<u>1,349,568</u>	<u>1,349,568</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 297</u>	<u>\$ 2,041,258</u>	<u>\$ 2,040,961</u>

DAYTON  N

---

PUBLIC SCHOOLS



## **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

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

#### Self-Insurance

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

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
COMBINING STATEMENT OF FUND NET ASSETS  
ALL INTERNAL SERVICE FUNDS  
JUNE 30, 2004

	Warehouse	Self-Insurance	Total
<u>Assets:</u>			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 842,440	\$ 206,916	\$ 1,049,356
Inventory Held for Resale	837,130	-	837,130
Total Current Assets	<u>1,679,570</u>	<u>206,916</u>	<u>1,886,486</u>
Capital Assets	257,721	-	257,721
Less: Accumulated Depreciation	<u>(204,136)</u>	<u>-</u>	<u>(204,136)</u>
Total Assets	<u>1,733,155</u>	<u>206,916</u>	<u>1,940,071</u>
<u>Liabilities:</u>			
Liabilities:			
Current Liabilities:			
Accounts Payable	67,147	-	67,147
Accrued Wages and Benefits	26,766	-	26,766
Intergovernmental Payable	21,052	-	21,052
Due to Other Funds	28	-	28
Claims Payable	-	156,434	156,434
Total Current Liabilities	<u>114,993</u>	<u>156,434</u>	<u>271,427</u>
Total Liabilities	<u>114,993</u>	<u>156,434</u>	<u>271,427</u>
<u>Net Assets</u>			
Invested in Capital Assets	53,585	-	53,585
Unrestricted	<u>1,564,577</u>	<u>50,482</u>	<u>1,615,059</u>
Total Net Assets	<u>\$ 1,618,162</u>	<u>\$ 50,482</u>	<u>\$ 1,668,644</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
ALL INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Warehouse</u>	<u>Self-Insurance</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	\$ -	\$ 1,279,011	\$ 1,279,011
Materials and Supplies	845,629	-	845,629
	<u>845,629</u>	<u>1,279,011</u>	<u>2,124,640</u>
Total Operating Revenues			
Operating Expenses:			
Salaries and Wages	535,774	-	535,774
Fringe Benefits	175,043	-	175,043
Purchased Services	7,573	-	7,573
Claims	-	1,221,194	1,221,194
Cost of Sales	967,637	-	967,637
Depreciation	9,924	-	9,924
	<u>1,695,951</u>	<u>1,221,194</u>	<u>2,917,145</u>
Total Operating Expenses			
Change in Net Assets	(850,322)	57,817	(792,505)
Net Assets - Beginning of Year	<u>2,468,484</u>	<u>(7,335)</u>	<u>2,461,149</u>
Net Assets - End of Year	<u><u>1,618,162</u></u>	<u><u>50,482</u></u>	<u><u>1,668,644</u></u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
COMBINING STATEMENT OF CASH FLOWS  
ALL INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Warehouse</u>	<u>Self-Insurance</u>	<u>Total</u>
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities:			
Cash Received from Quasi-External Transactions with Other Funds	\$ 845,629	\$ 1,279,011	\$ 2,124,640
Cash Payments to Suppliers for Goods and Services	(859,559)	-	(859,559)
Cash Payments to Employees for Services	(509,008)	-	(509,008)
Cash Payments for Employee Benefits	(169,441)	-	(169,441)
Cash Payments for Claims	<u>-</u>	<u>(1,243,046)</u>	<u>(1,243,046)</u>
Net Cash Provided Used in Operating Activities	<u>(692,379)</u>	<u>35,965</u>	<u>(656,414)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(692,379)	35,965	(656,414)
Cash and Cash Equivalents Beginning of Year	<u>1,534,819</u>	<u>170,951</u>	<u>1,705,770</u>
Cash and Cash Equivalents End of Year	<u>\$ 842,440</u>	<u>\$ 206,916</u>	<u>\$ 1,049,356</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:			
Operating Loss	\$ (850,322)	\$ 57,817	\$ (792,505)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:			
Depreciation	9,924	-	9,924
Changes in Assets and Liabilities			
Decrease in Inventory Held for Resale	103,992	-	103,992
Decrease in Accounts Payable	(3,819)	-	(3,819)
Increase in Accrued Wages and Benefits Payable	26,766	-	26,766
Increase in Intergovernmental Payable	21,052	-	21,052
Increase in Due to Other Funds	28	-	28
Decrease in Claims Payable	<u>-</u>	<u>(21,852)</u>	<u>(21,852)</u>
Net Cash Used in Operating Activities	<u>\$ (692,379)</u>	<u>\$ 35,965</u>	<u>\$ (656,414)</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY  
WAREHOUSE INTERNAL SERVICE FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Sales	\$ 1,000,000	\$ 841,591	\$ 845,629	\$ 4,038
Total Revenues	1,000,000	841,591	845,629	4,038
Expenses:				
Materials and Supplies	2,299,410	2,285,809	1,643,891	641,918
Total Expenses	2,299,410	2,285,809	1,643,891	641,918
Excess of Revenues Over(Under) Expenses	(1,299,410)	(1,444,218)	(798,262)	645,956
Fund Equity at Beginning of Year	1,145,000	1,380,409	1,380,409	-
Prior Year Encumbrances Appropriated	154,410	154,410	154,410	-
Fund Equity at End of Year	\$ -	\$ 90,601	\$ 736,557	\$ 645,956

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY  
SELF-INSURANCE INTERNAL SERVICE FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Charges for Services	\$ 1,200,000	\$ 1,279,011	\$ 1,279,011	\$ -
Total Revenues	1,200,000	1,279,011	1,279,011	-
Expenses:				
Purchased Services	-	-	-	-
Claims	1,450,000	1,445,447	1,243,046	202,401
Total Expenses	1,450,000	1,445,447	1,243,046	202,401
Excess of Revenues Over(Under) Expenses before Transfers	(250,000)	(166,436)	35,965	202,401
Fund Equity at Beginning of Year	208,000	128,951	128,951	-
Prior Year Encumbrances Appropriated	42,000	42,000	42,000	-
Fund Equity at End of Year	<u>\$ -</u>	<u>\$ 4,515</u>	<u>\$ 206,916</u>	<u>\$ 202,401</u>

## Fiduciary Funds

---

### AGENCY FUNDS

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.

---

#### District Agency

A fund used to account for assets and obligations that represent the amounts owed to the State Bureau of Workers' Compensation for 1994, 1995, 1996, 1997 and 1998.

#### Student Managed Activities

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

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
<u>District Agency:</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 8,214,054	\$ 4,806,063	\$ 3,361,840	\$ 9,658,277
Intergovernmental Receivable	35,349	608	35,349	608
Total Assets	<u>\$ 8,249,403</u>	<u>\$ 4,806,671</u>	<u>\$ 3,397,189</u>	<u>\$ 9,658,885</u>
Liabilities:				
Accounts Payable	\$ -	\$ 1,449	\$ -	\$ 1,449
Undistributed Monies	8,249,403	4,806,671	3,398,638	9,657,436
Total Liabilities	<u>\$ 8,249,403</u>	<u>\$ 4,808,120</u>	<u>\$ 3,398,638</u>	<u>\$ 9,658,885</u>
<u>Student Managed Activities</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 118,760	\$ 101,972	\$ 89,593	\$ 131,139
Total Assets	<u>\$ 118,760</u>	<u>\$ 101,972</u>	<u>\$ 89,593</u>	<u>\$ 131,139</u>
Liabilities:				
Accounts Payable	\$ 5,517	\$ 6,952	\$ 5,517	\$ 6,952
Due to Students	113,243	107,489	96,545	124,187
Total Liabilities	<u>\$ 118,760</u>	<u>\$ 114,441</u>	<u>\$ 102,062</u>	<u>\$ 131,139</u>
<u>Total All Agency Funds</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 8,332,814	\$ 4,908,035	\$ 3,451,433	\$ 9,789,416
Intergovernmental Receivable	35,349	608	35,349	608
Total Assets	<u>\$ 8,368,163</u>	<u>\$ 4,908,643</u>	<u>\$ 3,486,782</u>	<u>\$ 9,790,024</u>
Liabilities:				
Accounts Payable	\$ 5,517	\$ 8,401	\$ 5,517	\$ 8,401
Due to Students	113,243	107,489	96,545	124,187
Undistributed Monies	8,249,403	4,806,671	3,398,638	9,657,436
Total Liabilities	<u>\$ 8,368,163</u>	<u>\$ 4,922,561</u>	<u>\$ 3,500,700</u>	<u>\$ 9,790,024</u>



**STATISTICAL SECTION**



## STATISTICAL SECTION

---

The following unaudited statistical tables reflect social and economic data, financial trends and fiscal capacity of the School District.

---

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
DISTRICT-WIDE EXPENSES  
GOVERNMENTAL ACTIVITIES  
LAST THREE FISCAL YEARS (1)

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Instruction	\$ 103,512,054	\$ 104,713,536	\$ 103,238,352
Support Services:			
Pupils	11,741,172	11,475,516	10,079,837
Instructional Staff	17,929,198	14,111,108	12,453,911
Board of Education	433,358	331,687	312,390
Administration	14,587,381	16,318,592	14,702,327
Fiscal and Business	5,535,963	7,817,331	5,545,499
Plant Operation & Maintenance	33,902,014	21,879,322	20,655,626
Pupil Transportation	16,613,992	14,803,426	14,701,497
Central	9,241,713	14,063,768	11,867,414
Operation of Non-Instructional			
Services	13,807,736	13,577,536	13,624,779
Extracurricular Activities	1,444,007	1,737,120	1,621,199
Intergovernmental	44,689,965	31,107,656	19,318,687
Interest and Fiscal Charges	12,440,143	1,178,038	145,568
Unallocated Depreciation	<u>1,449,773</u>	<u>1,142,910</u>	<u>409,628</u>
 Total	 <u>\$ 287,328,469</u>	 <u>\$ 254,257,546</u>	 <u>\$ 228,676,714</u>

Source: School District Financial Records

(1) The School District first reported District-wide information in fiscal year 2002.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 DISTRICT-WIDE REVENUES  
 GOVERNMENTAL ACTIVITIES  
 LAST THREE FISCAL YEARS (1)

	<u>2004</u>	<u>2003</u>	<u>2002</u>
<u>Program Revenues:</u>			
Charges for Services	\$ 6,159,448	\$ 5,389,941	\$ 5,357,734
Operating Grants and Contributions	53,248,257	36,362,935	36,465,863
Capital Grants and Contributions	79,832,438	1,104,640	3,127,179
<u>General Revenues:</u>			
Property Taxes	97,401,217	89,557,094	79,139,322
Grants and Entitlements not restricted to Specific Programs	121,593,221	130,643,396	144,182,250
Investment Earnings	4,460,091	3,193,064	2,217,766
Miscellaneous	<u>2,613,108</u>	<u>4,982,301</u>	<u>2,229,456</u>
Total Revenue	<u>\$ 365,307,780</u>	<u>\$ 271,233,371</u>	<u>\$ 272,719,570</u>

Source: School District Financial Records

(1) The School District first reported District-wide information in fiscal year 2002.

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO  
EXPENDITURES BY FUNCTIONS  
GOVERNMENTAL FUNDS (1)  
LAST TEN FISCAL YEARS**

	<u>2004 (2)</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Current:				
Instruction	\$ 103,477,512	\$ 104,726,305	\$ 103,000,885	\$ 106,357,786
Support Services:				
Pupils	11,729,581	11,471,369	10,315,659	11,253,152
Instructional Staff	17,688,523	13,926,825	12,420,172	13,718,922
Board of Education	420,250	333,427	312,464	263,034
Administration	14,469,635	16,114,130	15,162,672	13,930,237
Fiscal and Business	6,346,153	6,540,052	5,030,235	4,873,971
Plant Operation & Maintenance	22,350,251	21,904,855	22,359,986	25,552,232
Pupil Transportation	15,941,719	14,323,042	14,358,592	12,681,960
Central	8,980,337	13,905,066	13,026,036	8,236,150
Operation of Non-Instructional				
Services	13,564,279	13,429,431	13,614,740	3,505,815
Extracurricular Activities	1,404,780	1,710,110	1,609,997	1,388,728
Capital Outlay	32,301,407	4,802,769	3,256,093	383,970
Intergovernmental	44,689,965	31,107,656	19,318,687	17,132,482
Debt Service	163,454,492	1,978,409	2,921,052	1,648,180
Total	<u>\$ 456,818,884</u>	<u>\$ 256,273,446</u>	<u>\$ 236,707,270</u>	<u>\$ 220,926,619</u>

Source: School District Financial Records

- (1) Amounts reported represent governmental fund (modified accrual) information. The School District implemented GASB Statement No. 34 in fiscal year 2002, therefore amounts for fiscal years 1995 thru 2001 includes general, special revenue, capital projects and expendable trust funds.
- (2) Significant increases in capital outlay and debt service expenditures noted during fiscal year 2004 are attributed to the School District's school facilities construction project, which includes the construction of 34 new school buildings and the renovation of certain existing facilities, and the debt instruments used to finance these projects.

<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$ 96,134,133	\$ 114,897,399	\$ 110,005,011	\$ 112,262,954	\$ 107,459,792	\$ 106,261,902
12,758,274	13,133,013	12,944,250	11,898,689	10,737,255	10,113,920
13,354,221	15,544,619	15,001,729	13,628,183	12,774,126	12,221,645
279,817	197,164	168,496	218,587	254,331	182,918
13,742,589	14,432,110	15,334,799	13,654,195	13,408,442	11,909,108
4,953,809	4,829,815	4,048,719	3,937,885	3,772,082	3,965,197
24,525,462	29,626,634	25,980,547	22,353,405	19,461,376	17,836,890
13,839,664	13,385,166	13,333,822	12,018,599	12,211,312	10,307,765
8,660,828	10,329,737	12,592,316	8,528,504	7,260,337	4,967,032
2,831,692	2,715,657	2,355,173	2,359,352	2,151,857	536,962
1,765,593	2,195,122	2,752,850	1,754,129	1,949,515	1,918,084
2,475,010	4,441,688	326,777	247,093	2,248,982	2,028,285
13,880,417	294,696	350,004	712,827	643,550	728,105
1,502,358	374,171	-	-	47,825	132,422
<u>\$ 210,703,867</u>	<u>\$ 226,396,991</u>	<u>\$ 215,194,493</u>	<u>\$ 203,574,402</u>	<u>\$ 194,380,782</u>	<u>\$ 183,110,235</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
REVENUES BY SOURCE  
GOVERNMENTAL FUNDS (1)  
LAST TEN FISCAL YEARS

	<u>2004 (2)</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Taxes	\$ 93,575,521	\$ 84,625,054	\$ 79,139,322	\$ 81,202,187
Intergovernmental	194,297,398	165,608,661	178,886,128	142,719,648
Interest	4,202,413	2,594,893	2,217,766	3,041,588
Tuition and Fees	1,415,883	1,009,180	691,382	671,857
All Other	<u>7,362,155</u>	<u>9,400,448</u>	<u>6,895,808</u>	<u>6,516,586</u>
Total	<u>\$ 300,853,370</u>	<u>\$ 263,238,236</u>	<u>\$ 267,830,406</u>	<u>\$ 234,151,866</u>

Source: School District Financial Records

- (1) Amounts reported represent governmental fund (modified accrual) information. The School District implemented GASB Statement No. 34 in fiscal year 2002, therefore amounts for fiscal years 1995 thru 2001 includes general, special revenue, capital projects and expendable trust funds.
- (2) Significant increases in the tax and intergovernmental revenue sources are attributable to the school facilities construction project. Fiscal year 2004 was the first year in which the full collections of levies approved for the construction, maintenance of the new buildings and local initiatives. In addition to the tax revenue, the School District began receiving State assistance for the project in fiscal year 2004.



<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$ 82,082,275	\$ 77,748,879	\$ 78,610,526	\$ 76,059,444	\$ 77,153,316	\$ 76,721,314
139,691,584	129,782,093	122,126,544	112,988,520	111,664,569	103,570,229
2,345,172	2,746,560	2,644,095	3,127,366	2,506,664	2,433,441
901,057	1,220,650	723,596	1,184,579	1,278,700	1,490,179
<u>3,873,339</u>	<u>6,960,352</u>	<u>9,624,468</u>	<u>5,834,798</u>	<u>4,699,495</u>	<u>2,812,846</u>
<u>\$ 228,893,427</u>	<u>\$ 218,458,534</u>	<u>\$ 213,729,229</u>	<u>\$ 199,194,707</u>	<u>\$ 197,302,744</u>	<u>\$ 187,028,009</u>

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

Year (1)	Current Levy	Current Collections (2)	Percent of Current Levy Collected	Delinquent Tax Collections
2004 (4)	\$ 100,545,821	\$ 92,118,706	91.6%	\$ 6,868,829
2003 (4)	103,881,526	91,911,703	88.5%	6,169,575
2002	88,333,725	79,897,678	90.4%	6,144,153
2001	88,894,023	84,512,563	95.1%	4,910,464
2000	87,365,716	84,806,370	97.1%	4,700,336
1999	85,554,721	82,580,466	96.5%	4,357,881
1998	85,162,582	81,212,570	95.4%	4,153,109
1997	84,596,158	81,349,274	96.2%	3,974,585
1996	83,693,736	79,331,773	94.8%	3,627,790
1995	83,415,643	79,873,786	95.8%	4,023,710

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.

- (1) Represents collection year. 2003 information represents tax levies and collections through November 1, 2003.
- (2) State reimbursements of rollback and homestead exemptions are included.
- (3) Penalties and interest are included since by Ohio law they become part of the tax obligation as assessment occurs.
- (4) Increase in levy and collection amounts in 2004 and 2003 attributed to increase tax rates approved for school construction project.

	Total Tax Collections	Total Collection As a Percent of Current Levy	Outstanding Delinquent Taxes (3)	Percent of Outstanding Delinquent Taxes to Current Tax Levy
\$	98,987,535	98.5%	\$ 23,453,127	23.3%
	98,081,278	94.4%	18,666,656	18.0%
	86,041,831	97.4%	13,734,616	15.5%
	89,423,027	100.6%	15,738,509	17.7%
	89,506,706	102.5%	15,895,995	18.2%
	86,938,347	101.6%	13,569,357	15.9%
	85,365,679	100.2%	14,374,154	16.9%
	85,323,859	100.9%	13,394,470	15.8%
	82,959,563	99.1%	13,159,526	15.7%
	83,897,496	100.6%	11,962,107	14.3%

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN CALENDAR YEARS

Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2004	\$ 1,712,346,690	\$ 4,892,419,114	\$ 109,740,800	\$ 281,834,327
2003	1,699,403,530	4,855,438,657	108,173,280	277,808,651
2002	1,441,598,740	4,065,558,400	102,552,730	263,374,057
2001	1,424,191,260	4,069,117,886	138,296,070	256,162,039
2000	1,420,851,430	4,059,575,514	151,121,950	182,078,341
1999	1,305,127,980	3,728,937,086	159,113,050	188,264,559
1998	1,303,641,910	3,724,691,171	154,123,580	181,982,432
1997	1,309,759,810	3,742,170,886	154,756,610	182,225,734
1996	1,190,836,420	3,402,389,771	155,624,240	176,845,727
1995	1,187,184,020	3,391,962,914	167,924,790	190,823,625

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.

For fiscal years 1995 to 2000, real property assessed value was 35% of the estimated actual value, public utility assessed value was 88% of estimated actual value and personal property assessed value was 25% of the estimated actual value. For fiscal years 2001 thru 2004, the actual property value were estimated by the Montgomery County Auditor's Office due to changes percentage of property subject to taxation.

Tangible Personal Property		Total		Assessed Value Ratio
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$ 279,165,476	\$ 1,116,661,904	\$ 2,101,252,966	\$ 6,290,915,345	33.4%
353,726,646	1,414,906,584	2,161,303,456	6,548,153,892	33.0%
389,681,365	1,558,725,460	1,933,832,835	5,887,657,917	32.8%
374,858,377	1,499,433,508	1,937,345,707	5,824,713,433	33.3%
342,778,104	1,371,112,416	1,914,751,484	5,612,766,271	34.1%
322,008,566	1,288,034,264	1,786,249,596	5,205,235,909	34.3%
321,943,702	1,287,774,808	1,779,709,192	5,194,448,411	34.3%
312,232,289	1,248,929,156	1,776,748,709	5,173,325,776	34.3%
306,226,535	1,224,906,140	1,652,687,195	4,804,141,639	34.4%
297,831,978	1,191,327,916	1,652,940,788	4,774,114,455	34.6%

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$1,000 ASSESSED VALUATION)  
LAST TEN CALENDAR YEARS

YEAR	Dayton City School District	Montgomery County	Dayton Montgomery County Library	City of Dayton		
	Operating Millage	Operating Millage	Operating Millage	Operating Millage (3)	Debt Service Millage (3)	Street Maintenance Millage (3)
2004	\$ 70.85	\$ 18.24	\$ 0.26	\$ 5.33	\$ 4.67	\$ 0.33
2003	70.85	17.24	0.26	8.05	1.95	-
2002	62.65	17.24	0.26	6.35	3.65	-
2001	62.65	17.24	0.26	6.35	3.65	-
2000	62.65	16.64	0.26	6.35	3.65	-
1999	62.65	16.64	0.26	6.35	3.65	-
1998	62.65	16.64	0.26	6.35	3.65	-
1997	62.65	16.64	0.26	6.35	3.65	-
1996	62.65	16.64	0.72	6.35	3.65	-
1995	62.65	16.64	0.72	6.35	3.65	-

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

- (1) Amount represents the total for City of Dayton residents.
- (2) Certain portions of the Harrison, Jefferson and Madison Townships and the Cities of Trotwood and Riverside are within the Dayton City School District and are subject to the Dayton City School District tax.
- (3) Dayton City Operating and Debt Service Millage has been redistributed based on Montgomery County Auditor and Dayton City records.
- (4) Mad River Township merged to create the City of Riverside on January 1, 1994. Taxes became collectable in 1995.
- (5) Madison Township merged to create the City of Trotwood on January 1, 1996. Taxes became collectable in 1997.

<u>Total City Millage</u>	<u>Total (1)</u>	<u>Harrison Township (2)</u>	<u>Jefferson Township (2)</u>	<u>Madison Township (2) (5)</u>	<u>Trotwood Corporation (2) (5)</u>	<u>Riverside Corporation (2) (4)</u>
\$ 10.00	\$ 99.35	\$ 18.33	\$ 18.59	\$ -	\$ 17.39	\$ 6.39
10.00	98.35	17.53	18.59	-	17.39	6.39
10.00	90.15	17.53	18.59	-	17.39	6.39
10.00	90.15	16.63	18.59	-	11.64	6.39
10.00	89.55	16.63	18.59	-	15.14	6.39
10.00	89.55	16.63	18.59	-	15.14	6.39
10.00	89.55	16.63	18.59	-	15.14	6.39
10.00	89.55	13.68	18.59	-	15.14	6.39
10.00	90.01	13.68	18.59	-	15.14	6.39
10.00	90.01	13.68	18.59	15.64	-	6.39

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 COMPUTATION OF LEGAL DEBT MARGIN  
 JUNE 30, 2004

Total Assessed Value	\$ 2,101,252,966	
<u>Overall Direct Debt Limitation</u>		
Bonded Debt Limit - 9% of Assessed Value (1)	189,112,767	
Net Bond Indebtedness	<u>(230,102,845)</u>	
Overall Debt Margin	<u>(40,990,078)</u>	(2)
<u>Unvoted Direct Debt Limitation</u>		
Unvoted Debt Limit - .10% of Assessed Value (1)	2,101,253	
Gross indebtedness authorized by the Board	<u>-</u>	
Unvoted Debt Margin	<u>2,101,253</u>	

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

- (1) Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt. The District has no debt subject to either limitation.
- (2) The Superintendent of Public Instruction in Ohio, in accordance with Ohio Revised Code Section 133.06(E), certified the School District as a "Approved Special Needs District" which enabled the School District to issue bonded debt in excess of the statutorily limits set by the Ohio Bond Law.



**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2004

Jurisdiction	Net Debt	Percentage Applicable to School District (1)	Amount Applicable to School District
Dayton City School District	\$ 230,102,845	100.00%	\$ 230,102,845
Montgomery County	35,982,639	29.07%	10,460,153
City of Dayton	49,762,889	86.75%	43,169,306
City of Riverside	1,714,909	14.19%	243,346
City of Trotwood	4,120,000	15.65%	644,780
Miami Valley Regional Transit Authority	12,350,000	29.07%	<u>3,590,145</u>
			<u>\$ 288,210,575</u>

Source: Ohio Municipal Advisory Council

(1) Percentages were determined by dividing the assessed valuation of the political subdivisions located within the boundaries of the District by the total assessed valuation of the subdivision.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
Ratio of Annual Debt Service Expenditures  
For General Bonded Debt to Total General Fund Expenditures  
For the Fiscal Year Ended June 30, 2004 (1)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (%)
2004	\$ -	\$ 10,096,962	\$ 10,096,962	\$ 200,799,253	5.02%

Source: School District's financial records

- (1) Fiscal year 2004 was the first fiscal year in the last ten fiscal years that the School District had debt service payments related to bonded debt. Principal repayment will begin in fiscal year 2005.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO  
ASSESSED VALUE AND NET GENERAL OBLIGATION DEBT PER CAPITA  
LAST TWO FISCAL YEARS (1)

<u>COLLECTION YEAR</u>	<u>NET GENERAL OBLIGATION BONDED DEBT</u>	<u>ASSESSED VALUE (2)</u>	<u>POPULATION (3)</u>	<u>RATIO OF NET DEBT TO ASSESSED VALUE</u>	<u>NET DEBT PER CAPITA</u>
2004	\$ 230,102,845	\$ 2,101,252,966	166,179	10.95%	\$ 1,385
2003	99,500,000	2,161,303,456	166,179	4.60%	599

(1) Fiscal year 2003 was the first year in the last ten fiscal years that the School District had bonded debt.

(2) Source: Montgomery County Auditor's Office

(3) Source: Miami Valley Regional Planning Commission.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 DEMOGRAPHIC STATISTICS  
 LAST TEN YEARS

Year	City of Dayton Population (1)	ADM (2)	Unemployment Rate (3)
2004	166,179	17,463	6.2%
2003	166,179	18,163	5.6%
2002	166,179	20,144	6.0%
2001	166,179	21,078	6.0
2000	167,475	22,590	4.0
1999	172,947	24,590	6.6
1998	172,947	25,971	6.9
1997	178,540	25,830	7.6
1996	182,005	26,396	7.2
1995	182,005	26,548	8.5

Age Distribution of Population for Last Three Census (4):

Age	2000	1990	1980
Under 5	7.1%	8.5%	8.2%
5-14	14.1	13.8	14.3
15-24	18.2	16.8	20.7
25-34	14.1	18.0	16.1
35-44	14.9	13.0	8.9
45-54	12.1	8.3	9.5
55-64	7.5	8.5	10.2
65 Plus	12.0	13.1	12.1

Education Level in Years of Formal Schooling (4):

Age 25 Plus	2000	1990	1980
High School or Higher	75.1%	68.3%	58.7%
Bachelor's Degree or Higher	14.4	12.3	9.9

- Source::
- (1) U.S. Census Bureau and Miami Valley Regional Planning Commission, reported on calendar year end
  - (2) School District Records
  - (3) Ohio Bureau of Employment Services, reported on calendar year end
  - (4) U.S. Census Bureau.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS  
LAST CALENDAR TEN YEARS

Year	Number of Building Permits All Types (1)	Valuation of Construction (1)	Certified Bank Deposits (2)	Property Value (3)
2003	1,407	\$ 133,241,900	\$ 249,614,000	\$ 4,892,419,114
2002	1,314	148,084,800	239,117,000	4,855,438,657
2001	1,206	129,052,146	208,298,000	4,065,558,400
2000	1,652	124,091,672	191,473,000	4,069,117,886
1999	1,564	80,143,557	2,994,378,000	4,059,575,514
1998	1,390	101,936,784	3,264,705,000	3,728,937,086
1997	1,634	82,811,189	3,530,314,000	3,724,691,171
1996	1,512	67,723,613	3,899,145,000	3,742,170,886
1995	1,571	91,960,478	3,995,114,000	3,402,389,771
1994	1,597	90,875,248	4,034,766,000	3,391,962,914

- Sources:
- (1) City of Dayton Division of Business Services, Permit Section
  - (2) Federal Reserve Bank of Cleveland - Total commercial bank deposits for banks headquartered in Montgomery County. Decrease for 2000 due to bank restructuring. Deposits at end of year are no longer held in Montgomery County, but in Cuyahoga County.
  - (3) Real estate property only.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 PRINCIPAL TAXPAYERS  
 REAL ESTATE TAX  
 DECEMBER 31, 2003

Name of Taxpayer	Type of Business	Assessed Values (1)	Percent of Total Assessed Value
National Cash Register	Computer Technology	\$ 16,897,860	0.99%
Arts Center Foundation	Non-profit	16,082,190	0.94%
City of Dayton	Government	9,751,050	0.57%
Marriot Division American	Hotels	8,461,750	0.49%
Heart Hospital of DTO	Health Care	7,142,490	0.42%
Virgina Kettering Trust	Trust	6,595,500	0.39%
Danis Realty Co., Inc.	Development	6,037,060	0.35%
BEHR Dayton Thermal	Automotive	5,041,610	0.29%
Ducru Limited Partnership	Development	3,986,400	0.23%
10WOP Inc.	Health Care	<u>3,401,140</u>	<u>0.20%</u>
Subtotal		83,397,050	4.87%
All Other Taxpayers		<u>1,628,949,640</u>	<u>95.13%</u>
Total Assessed Valuation		<u>\$ 1,712,346,690</u>	<u>100.00%</u>

Source: Montgomery County Auditor

(1) Assessed Values are for collection year 2004

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 PRINCIPAL TAXPAYERS  
 TANGIBLE PERSONAL PROPERTY TAX  
 DECEMBER 31, 2003

Name of Taxpayer	Type of Business	Assessed Values (1)	Percent of Total Assessed Value
Delphi Automotive Systems LLC	Automotive	\$ 20,400,540	7.31%
General Motors Corp	Automotive	12,663,920	4.54%
National Cash Register	Computer Technology	11,216,950	4.02%
KBL Portland Cablesystem LP	Communications	6,086,370	2.18%
Behr Dayton Thermal Products	Automotive	5,758,850	2.06%
Reynolds and Reynolds	Manufacturing	5,543,740	1.99%
Standard Register Company	Manufacturing	5,525,170	1.98%
Chemfirst Electronic Materials	Manufacturing	4,861,190	1.74%
Gem City Engineering Company	Engineering	3,959,440	1.42%
Dayton Reliable Tool Manufacturing	Manufacturing	<u>3,802,290</u>	<u>1.36%</u>
Subtotal		79,818,460	28.59%
All Other Taxpayers		<u>199,347,016</u>	<u>71.41%</u>
Total Assessed Valuation		<u>\$ 279,165,476</u>	<u>100.00%</u>

Source: Montgomery County Auditor

(1) Assessed Values are for collection year 2004

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO  
PRINCIPAL TAXPAYERS  
PUBLIC UTILITY TAX  
DECEMBER 31, 2003**

Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Dayton Power and Light Co.	\$ 50,632,790	46.14%
Ohio Bell Telephone Company	30,673,230	27.95%
Vectren Energy	<u>7,863,870</u>	<u>7.17%</u>
Subtotal	89,169,890	81.26%
All Other Taxpayers	<u>20,570,910</u>	<u>18.74%</u>
Total Assessed Valuation	<u>\$ 109,740,800</u>	<u>100.00%</u>

Source: Montgomery County Auditor

(1) Assessed Values are for collection year 2004



**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO  
COST PER STUDENT  
LAST TEN YEARS**

FISCAL YEAR	Governmental Fund Expenditures (1)	Average Daily Membership	Per Pupil Cost
2004	\$ 200,799,253	17,463	\$ 11,499
2003	256,273,446	18,163	14,110
2002	236,707,270	20,144	11,751
2001	220,926,619	21,078	10,481
2000	210,703,867	22,590	9,327
1999	226,396,991	24,590	9,207
1998	215,194,493	25,971	8,286
1997	203,574,402	25,830	7,881
1996	194,380,782	26,396	7,364
1995	183,110,235	26,548	6,897

Source: School District Financial Records

(1) - Amounts reported represent governmental fund (modified accrual) information. The School District implemented GASB Statement No. 34 in fiscal year 2002, therefore amounts for fiscal years 1995 thru 2001 includes general, special revenue, capital projects and expendable trust funds.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 TEACHER EDUCATION AND EXPERIENCE  
 JUNE 30, 2004

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	501	33.6%
Bachelor's + 18 Semester Hours of Graduate Credit	198	13.3%
Master's Degree	618	41.4%
Master's Degree + 30 Semester Hours of Graduate Credit	162	10.9%
Doctorate Degree	<u>13</u>	<u>0.9%</u>
Total	<u><u>1,492</u></u>	<u><u>100.0%</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 4	449	30.1%
5 - 9	212	14.2%
10 - 14	196	13.1%
15 - 19	244	16.4%
20 - 29	286	19.2%
30 and over	<u>105</u>	<u>7.0%</u>
Total	<u><u>1,492</u></u>	<u><u>100.0%</u></u>

Source: Dayton City School District Human Resources Records



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 24, 2005**