

Comprehensive Annual Financial Report

for the year ended June 30, 2010



TROTWOOD-MADISON CITY SCHOOL DISTRICT
Trotwood, Ohio 45426

Our Mission is 100% Student Success



Dave Yost • Auditor of State

Board of Education
Trotwood-Madison City School District
444 Broadway
Trotwood, Ohio 45426

We have reviewed the *Independent Auditor's Report* of the Trotwood-Madison City School District, Montgomery County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2009 through June 30, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

February 22, 2011

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**TROTWOOD-MADISON CITY SCHOOL DISTRICT
TROTWOOD, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**PREPARED BY:
OFFICE OF THE TREASURER
DIANA WHITT, TREASURER/CFO**

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Trotwood-Madison City School District, Ohio
Comprehensive Annual Financial Report
For the Year Ended June 30, 2010

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INTRODUCTORY SECTION



TROTWOOD-MADISON
CITY SCHOOL DISTRICT

Our Mission Is 100% Student Success!

December 29, 2010

To The Citizens and Board of Education
of the Trotwood-Madison City School District:

The Comprehensive Annual Financial Report [CAFR] of the Trotwood-Madison City School District (the "District") for the fiscal year ended June 30, 2010, is hereby submitted. This report, prepared by the Treasurer's office, includes an opinion from Plattenburg & Associates, Inc. and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report will provide the taxpayers of the Trotwood-Madison City School District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. Copies will be available upon request to taxpayers, financial rating services, banking institutions and other interested parties.

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

The District provides a full range of traditional and non-traditional educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory and vocational levels; a broad range of cocurricular and extracurricular activities; adult and community education offerings; special education programs and facilities; and community recreational facilities.

The District receives pass through grants from the State and distributes these grants to a private school located within the District. This activity is included in the entity as the Auxiliary Services Special Revenue Fund, because of the District's administrative involvement in the program. The private school served is Precious Blood. While this organization shares operational and service similarity with the District, it is a legally separate and distinct entity. Because of their independent nature, this organization is not included in this report.

ECONOMIC CONDITION AND OUTLOOK

The City of Trotwood is located in southwest Ohio approximately 55 miles north of Cincinnati, 75 miles southwest of Columbus and 100 miles east of Indianapolis, Ind. Trotwood is strategically located less than two miles from I-70, less than 5 miles from I-75 and less than 15 minutes from the Dayton International Airport.

The District is continually challenged by the responsibility bestowed upon it by the community at large. We are always striving to provide the very best opportunities to every student, while carefully guarding the District's resources.

THE DISTRICT AND ITS FACILITIES

The District is located in the City of Trotwood, in Montgomery County, west of Dayton. Montgomery County has traditionally had a strong economy with unemployment rates below state and national averages. The area has experienced growth during the past year in retail, business and industrial parks, and recreational facilities.

The District is comprised of a senior high school campus, a middle school serving grades 7-8, and 4 elementary schools serving grades K-6. The District currently services approximately 3,000 students.

Constructed	School Address	June 2010 Enrollment
2007	Early Learning Center 4400 North Union Road	427
2007	Madison Park Elementary 301 South Broadway	410
2007	Westbrooke Elementary 6500 Westford Road	397
1975	Trotwood-Madison Middle School 4420 North Union Road	662
2005	Trotwood-Madison High School 4440 North Union Road	993

ORGANIZATION OF THE SCHOOL DISTRICT

The Board of Education is a 5 member body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, and ensures that all the general laws of the State of Ohio are followed in the expenditures of the District's tax dollars and approves the annual appropriation resolution and tax budget.

The Board members represent a cross section of professions in the community. The board members on June 30, 2010, were as follows:

Board Member	Began Service	Term Expires	Profession
Vanessa Jeter-Freeman	January, 2004	December, 2011	Lead Manpower Analyst
Craig Ross, Sr.	June, 2003	December, 2011	Operations Manager
Deborah L. Daniel	November, 1998	December, 2013	Bank Manager
Teena R. Davis	January, 1998	December, 2013	Career Transition Specialist
Denise E. Moore	January, 2006	December, 2013	Self Employed

The Superintendent is the chief executive officer of the District, responsible directly to the Board for all educational and support operations. Dr. Rexann Wagner was appointed Superintendent in 2010. Prior to becoming the Superintendent of Trotwood-Madison City Schools, Dr. Wagner served as Assistant Superintendent, Director of Human Resources, Director of Curriculum & Instruction, High School Principal and elementary school principal in Trotwood-Madison City Schools. Dr. Wagner received her B.S. Degree from Defiance College, her Masters from Indiana University, and her Doctorate from the University of Dayton.

The Treasurer is the chief financial officer of the District, responsible directly to the Board for maintaining all financial records, issuing all payments, maintaining custody of all District funds and assets and investing idle funds as specified by Ohio Law. Mrs. Diana C. Whitt was appointed Assistant Treasurer in March 2002, and became Treasurer of the District in September, 2002. Mrs. Whitt received her B.A. Degree from Notre Dame College in South Euclid, Ohio and her Masters Degree from the University of Phoenix.

EMPLOYEE RELATIONS

The District currently has approximately 396 full-time equivalent employees.

The District teachers and classified employees are represented for collective bargaining purposes by the Trotwood-Madison Education Association (TMEA). The District has a two year collective bargaining agreement which expires June 30, 2011

SERVICES PROVIDED

The District provides a wide variety of educational and support services, as mandated by the Ohio Revised Code or board directives.

Transportation is provided for over 2,080 students each day. The District fleet of 16 buses travels over 1,664 miles each day transporting to 10 different sites. The department transported public students on approximately 500 extra-curricular trips during the year.

The food service department served 376,072 plate lunches through the District's 5 kitchens. This is accomplished through the full operation of these facilities. The District currently offers a breakfast program at no cost to students, that served 263,653 breakfasts in all five schools.

In addition to transportation and school lunch support services, students in the District also receive guidance, psychological, and limited health services free of charge. The guidance services are designed to help students match their natural skills with vocational and/or academic programs to help them achieve their full potential in life. Psychological services include the testing and identification of students for special education programs.

Limited health services are provided by health assistants at each of the 5 school sites under the supervision of a registered nurse.

The District offers regular instructional programs daily to students in grades K-12. There are approximately 65 students in the specific trades through vocational education. Over 500 students receive special services, due to physical or mental handicapping conditions. In grades 4-8, approximately 70 students participated in the gifted program. The District presented 210 high school diplomas in 2010.

MAJOR CURRENT AND FUTURE INITIATIVES

The following is The Mission Statement of the Board that is the guiding force for all initiatives acted upon by the Board:

The mission of the Trotwood-Madison City School District is to graduate all students prepared to excel in a global society with a commitment to lifelong learning by guaranteeing a challenging curriculum facilitated by innovative and dedicated staff, community participation and state-of-the-art resources in a stimulating atmosphere.

Beliefs

- We believe that learning is a lifelong process.
- We believe that each individual is unique.
- We believe that all people are capable of achieving success.
- We believe that there is strength in diversity.
- We believe that involvement is essential for a community to be successful.

The District has made major changes in our educational delivery system over the past several years. The high school has now converted from a block schedule to a seven period day. The general curriculum track has been phased out. All high school students are expected to take either challenging career and technical training or college preparatory courses.

The high school is firmly committed to the key practices developed for high schools that work. Also implemented is a transition program for all ninth grade students. An alternative program is offered to students from 3:30 p.m. to 7:30 p.m. for students who are at risk or have a difficult time in a traditional high school program.

The focus of the District is on student achievement. The District has been working hard to reach out to all students, from high achievers to at-risk to get them more actively engaged in their own learning.

The District has been engaged in training teachers to become clinic teachers with a focus on academic standards which are developed by the State of Ohio

CHALLENGES FOR 2009-2010 AND BEYOND

- Continue to improve proficiency scores
- Increase the graduation rate
- Recruit and retain quality staff
- Provide time and finances for staff development
- Provide a safe learning environment
- Increase individualized help to students
- Align District goals, initiatives and state standards
- Continue to improve the utilization of technology to support learning

BUSINESS-SCHOOL PARTNERSHIP PROGRAM

Partners in Education is a program that brings together businesses and schools in order to address specific educational needs. The business-school partnerships are formal, voluntary relationships between one school and one business. Partnerships match available resources with identified needs to meet mutually agreed upon goals and objectives.

Partnerships provide opportunities for students to understand how the basic skills they learn in school are applied in the business world. However, it is not just the schools that benefit from partnerships. Businesses and their employees also gain from this special relationship, as many schools reciprocate with their own projects which help their corporate or industrial partners. Partnerships also give those in the business community insight into the workings of the school and a better understanding of the needs of the educational system.

RELEVANT FINANCIAL POLICIES

In July, 2009, Governor Strickland signed HB 1, the state biennium budget bill. Included in this bill was a complete overhaul of the school funding model for all school districts in Ohio. The new Ohio Evidence-Based Model (OEBM) replaces the long-standing foundation formula that was declared unconstitutional by the Ohio Supreme Court. If ever fully-funded, the new model has the potential to drive funding based on student needs and could result in additional revenue. However, the current economic crisis has reduced revenue at the state level prompting budget reduction measures across the State. As such, the funding for the OEBM was phased in for FY10 and FY11 by allocating the funding for each year based on 99% of the FY09 funding and 98% of the FY10 funding, respectively. Furthermore, in November, 2010, Ohio elected a new Governor. The Governor-elect stated during his campaign that he would abolish the OEBM model, which of course adds to the uncertainty of future budgets.

Federal stimulus funds are being used in Ohio to balance the education budget and as such, funding for public education at the current level is not secure beyond FY11. This uncertainty could have a major impact on our instructional and operational programs. The need for additional revenue and or expenditure reductions will need to be monitored closely.

FINANCIAL INFORMATION

The District's accounting system is organized on a "fund" basis. Each fund is a distinct, self-balancing entity. Records for general governmental operations are maintained on a budgetary basis system of accounting as prescribed by State statute. Cash basis accounting differs from generally accepted accounting principles [GAAP] as promulgated by the Governmental Accounting Standards Board [GASB].

INTERNAL ACCOUNTING AND BUDGETARY CONTROL

In developing the District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The District utilizes a fully automated accounting system as well as an automated system of control for capital assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation is first adopted, the permanent appropriation measure must be adopted within three months.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level. All purchase order requests must be approved by the individual program managers and certified by the Treasurer; necessary funds are then encumbered and purchase orders are released to vendors.

The accounting system used by the District provided interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. In addition to interim financial statements, each program manager is furnished monthly reports showing the status of the budget accounts for which he or she is responsible. Each program manager may request additional financial reports during the month when necessary.

As an additional safeguard, all employees involved with receiving and depositing funds are covered by a blanket bond and certain individuals in policy-making roles are covered by a separate, higher bond.

The basis of accounting and the various funds utilized by the District are fully described in the notes to the basic financial statements. Additional information on the District's budgetary accounts can also be found in the notes to the basic financial statements.

FINANCIAL CONDITION

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 creates new basic financial statements for reporting on the School 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. Fiduciary funds use the accrual basis of accounting.

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

Management is responsible for preparing a Management's Discussion and analysis of the District. This discussion follows this letter of transmittal, providing and assessment of the District's finances for 2010 and the outlook for the future.

CASH MANAGEMENT

The Board has an aggressive cash management program which consists of expediting the receipt of revenues and prudently investing available cash in obligations collateralized by the United States Government, or the State of Ohio issued instruments or insured by the Federal Deposit Insurance Corporation [FDIC]. The total amount of earnings on investments was \$51,592 for the year ended June 30, 2010.

The cash management program is designed to minimize cash on hand and maximize investment holdings. All investments are spread among available investment options to insure maximum interest rates.

The District's investment policy is to minimize market risk while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by FDIC or collateralized. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

RISK MANAGEMENT

The District constantly faces the risk of loss of assets by fire, storm, theft, accident or other catastrophes. The district contracted with Ohio Casualty Insurance Company for building and property insurance. This policy has a limit of insurance in the amount of \$102,780,604 for property. The property has a \$2,500 deductible. Vehicle insurance is covered by Netherlands Insurance Company for replacement cost with a \$250 deductible for comprehensive and a \$500 deductible for collision. General liability insurance is under Ohio Casualty Insurance company. The Treasurer and Director of Operations are bonded.

All employees are covered under the District's liability policy with Nationwide Insurance Company. The limits of liability are \$1,000,000 for each occurrence and \$5,000,000 in aggregate. The Superintendent, Director of Operations, Board Members and Treasurer are covered with performance bonds from the Accordia Fidelity and Deposit Company in the amount of \$20,000 each. The District uses the State Workers' Compensation plan and pays a premium based on a rate per \$100 of salaries.

INDEPENDENT AUDIT

Provisions of State statute require that the District's financial statements be subjected to an annual examination by an independent auditor.

The unqualified opinion rendered on the District's basic financial statements, (combining statements and individual fund schedules), is included in the financial section of this Comprehensive Annual Financial Report.

The audit was also designed to meet the requirements of the federal Single Audit Act and the related U.S. Office of Management and Budget Circular A-133.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio.

The District adopted and has been in conformance with that system effective with its annual financial report since the 1979 calendar year.

AWARDS

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada [GFOA] awarded a Certificate of Achievement to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

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

ASBO Certificate

The Association of School Business Officials International [ASBO] awards a Certificate of Excellence in Financial Reporting to school districts that publish Comprehensive Annual Financial Reports which substantially conform to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The award is granted only after an intensive review of the financial report by all expert panels of certified public accountants and practicing school business officials.

The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2009. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2010, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

ACKNOWLEDGEMENTS

The preparation of the 2010 Comprehensive Annual Financial Report of the Trotwood-Madison City School District was made possible by the combined efforts of the District's Treasurer's Department and Plattenburg and Associates, Incorporated. The publication of this Comprehensive Annual Financial Report for the District is a major step in reinforcing the accountability of the District to the taxpayers of the community.

Respectfully submitted,

A handwritten signature in cursive script that reads "Diana C. Whitt".

Diana C. Whitt
Treasurer/CFO

TROTWOOD-MADISON CITY SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2010

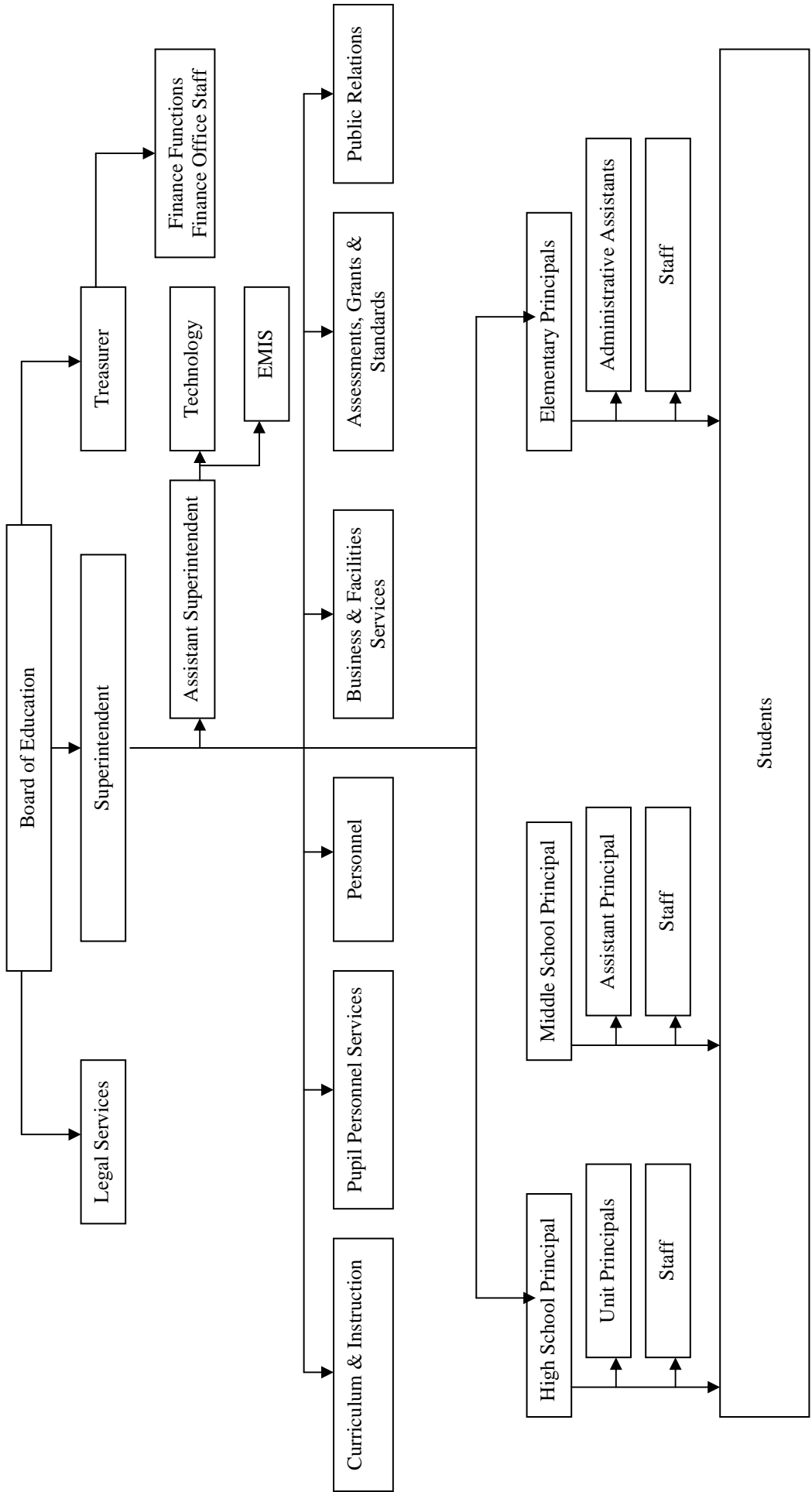
BOARD OF EDUCATION

President..... Mrs. Vanessa Jeter-Freeman
Vice President..... Mrs. Denise E. Moore
Board Member..... Mr. Craig Ross, Sr.
Board Member..... Mrs. Deborah Daniel
Board Member..... Mrs. Teena R. Davis

ADMINISTRATIVE OFFICIALS

Superintendent..... Dr. Rexann Wagner
Treasurer..... Mrs. Diana C. Whitt
Director of Operations..... Mr. John Smith
Director of Personnel..... Mr. Gerald Cox
Director of Pupil Services..... Ms. Vivian Schooler
Director of Curriculum and Instruction..... Mr. Kevin Bell

**TROTWOOD-MADISON CITY SCHOOL
ORGANIZATIONAL CHART**



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Trotwood-Madison City
School District, Ohio

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

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



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

TROTWOOD-MADISON CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2009

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

Evin Green

President

John R. Quinn

Executive Director

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Trotwood-Madison City School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Trotwood-Madison City School District (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements. 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, 2010, and the respective changes in financial position and cash flows, where applicable 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 29, 2010, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
December 29, 2010

Trotwood-Madison City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

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

Financial Highlights

Key financial highlights for 2010 are as follows:

- Net assets of governmental activities decreased \$810,780 which represents a 1.2% decrease from 2009.
- General revenues accounted for \$33,981,666 in revenue or 77.0% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$10,147,277 or 23.0% of total revenues of \$44,128,943 .
- The District had \$44,939,723 in expenses related to governmental activities; \$10,147,277 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$33,981,666 were also used to provide for these programs.

Overview of the Financial Statements

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

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

Trotwood-Madison City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

Government-wide Financial Statements

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

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

In the Government-wide Financial Statements, the overall financial position of the District is presented in the following manner:

- **Governmental Activities** – Most of the District’s programs and services are reported here including instruction, support services, operation of non-instructional services, extracurricular activities and interest and fiscal charges.

Fund Financial Statements

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

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

Fiduciary Funds Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District’s own programs.

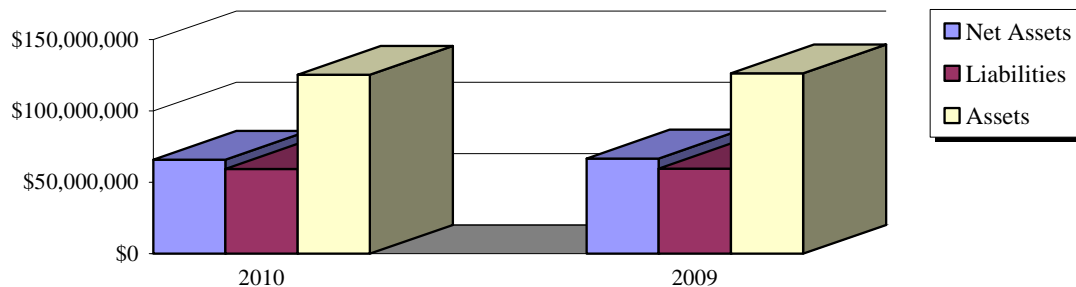
Trotwood-Madison City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

The District as a Whole

As stated previously, the Statement of Net Assets looks at the District as a whole. Table 1 provides a summary of the District's net assets for 2010 compared to 2009:

Table 1
Net Assets

	Governmental Activities	
	2010	2009
Assets:		
Current and Other Assets	\$37,724,192	\$38,077,901
Capital Assets	87,643,262	88,324,526
Total Assets	125,367,454	126,402,427
Liabilities:		
Other Liabilities	15,116,240	15,114,205
Long-Term Liabilities	44,306,513	44,532,741
Total Liabilities	59,422,753	59,646,946
Net Assets:		
Invested in Capital Assets, Net of Related Debt	46,183,631	46,084,114
Restricted	9,866,666	11,746,533
Unrestricted	9,894,404	8,924,834
Total Net Assets	\$65,944,701	\$66,755,481



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2010, the District's assets exceeded liabilities by \$65,944,701 .

At year-end, capital assets represented 70% of total assets. Capital assets include land, construction in progress, buildings and improvements, and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2010, was \$46,183,631 . These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Trotwood-Madison City School District, Ohio
Management Discussion and Analysis
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A portion of the District's net assets, \$9,866,666 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Capital Assets decreased due to current year depreciation expense exceeding current year additions. Long-Term Liabilities decreased mainly due to the District continuing to pay off its long-term obligations.

Table 2 shows the changes in net assets for fiscal years 2010 and 2009.

Table 2
Changes in Net Assets

	Governmental Activities	
	2010	2009
Revenues:		
Program Revenues		
Charges for Services	\$704,717	\$1,337,949
Operating Grants, Contributions	9,442,560	8,869,440
Capital Grants and Contributions	0	39,582
General Revenues:		
Property Taxes	11,882,376	11,453,911
Grants and Entitlements	21,343,328	20,313,225
Other	755,962	944,498
Total Revenues	44,128,943	42,958,605
Program Expenses:		
Instruction	25,525,700	21,929,116
Support Services:		
Pupil and Instructional Staff	4,302,962	4,167,403
School Administrative, General		
Administration, Fiscal and Business	3,739,514	4,159,019
Operations and Maintenance	3,328,545	3,207,201
Pupil Transportation	1,577,957	1,491,989
Central	1,804,892	1,466,763
Operation of Non-Instructional Services	2,025,736	1,976,438
Extracurricular Activities	572,475	532,961
Interest and Fiscal Charges	2,061,942	2,060,339
Total Program Expenses	44,939,723	40,991,229
Change in Net Assets	(810,780)	1,967,376
Net Assets Beginning of Year	66,755,481	64,788,105
Net Assets End of Year	\$65,944,701	\$66,755,481

The District revenues are mainly from three sources. Property taxes levied for general, special revenue, debt service and capital projects purposes, grants and entitlements and operating grants and contributions comprised most of the District's revenues for governmental activities.

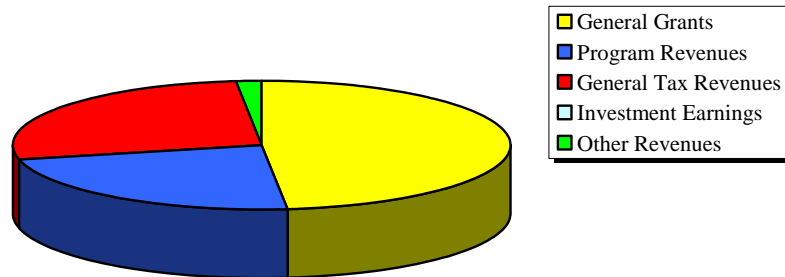
Trotwood-Madison City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus Ohio districts do not receive additional property tax revenue from increases in appraisal values and must regularly return to the voters to maintain a constant level of service. Property taxes made up 27% of revenue for governmental activities for the District in fiscal year 2010.

Governmental Activities
Revenue Sources

<u>Revenue Sources</u>	<u>2010</u>	<u>Percentage</u>
General Grants	\$21,343,328	48.4%
Program Revenues	10,147,277	23.0%
General Tax Revenues	11,882,376	26.9%
Investment Earnings	51,592	0.1%
Other Revenues	704,370	1.6%
Total Revenue Sources	\$44,128,943	100.0%



Instruction comprises 56.8% of governmental program expenses. Support services expenses were 32.8% of governmental program expenses. All other expenses and interest expense was 10.4%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Grants and Entitlements and Operating Grants and Contributions increased mainly due to an increase in grant monies received in fiscal year 2010 as compared to fiscal year 2009. Instruction expenses increased due to ARRA money being spent on instruction as well as increases in personnel costs and general inflationary factors.

Trotwood-Madison City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

Governmental Activities

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2010	2009	2010	2009
Instruction	\$25,525,700	\$21,929,116	(\$19,782,228)	(\$15,695,639)
Support Services:				
Pupil and Instructional Staff	4,302,962	4,167,403	(2,494,836)	(2,535,518)
School Administrative, General				
Administration, Fiscal and Business	3,739,514	4,159,019	(3,582,918)	(3,893,365)
Operations and Maintenance	3,328,545	3,207,201	(3,296,851)	(3,169,936)
Pupil Transportation	1,577,957	1,491,989	(1,423,434)	(1,290,278)
Central	1,804,892	1,466,763	(1,782,483)	(1,428,117)
Operation of Non-Instructional Services	2,025,736	1,976,438	182,846	(156,029)
Extracurricular Activities	572,475	532,961	(550,600)	(515,037)
Interest and Fiscal Charges	2,061,942	2,060,339	(2,061,942)	(2,060,339)
Total Expenses	\$44,939,723	\$40,991,229	(\$34,792,446)	(\$30,744,258)

The District's Funds

The District has three major governmental funds: the General Fund, Debt Service Fund, Building Fund and Classroom Facilities Fund. Assets of these funds comprise \$34,641,101 (91%) of the total \$38,016,018 governmental funds assets.

General Fund: Fund balance at June 30, 2010 was \$8,809,947 including \$8,184,551 of unreserved balance. The primary reason for the increase in fund balance was due to an increase in intergovernmental revenue.

Debt Service Fund: Fund balance at June 30, 2010 was \$2,554,294. The primary reason for the increase in fund balance was due to a decrease in interest and fiscal charges expenditures.

Building Fund: Fund balance at June 30, 2010 was \$3,657,693. The primary reason for the decrease in fund balance was due to the start and continuation of various construction projects.

Classroom Facilities Fund: Fund balance at June 30, 2010 was \$1,156,931. The primary reason for the decrease in fund balance was due to the start and continuation on various construction projects.

General Fund Budgeting Highlights

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

Trotwood-Madison City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

For the General Fund, final budget basis revenue was \$30,644,797. The original budget estimate was \$31,004,960. The difference was \$360,163. Of this difference, most was due to an overestimate of taxes and intergovernmental revenues. Actual instruction expenses were lower than the final budgeted amount due to overestimates of these expenses for the year.

The District's ending unobligated cash balance was \$8,498,374.

Capital Assets and Debt Administration

Capital Assets

At fiscal year end, the District had \$87,643,262 invested in land, construction in progress buildings and improvements and equipment. Table 4 shows fiscal year 2010 balances compared to fiscal year 2009:

Table 4
Capital Assets at Year End
(Net of Depreciation)

	Governmental Activities	
	2010	2009
Land	\$1,156,779	\$1,156,779
Construction in Progress	2,707,961	0
Buildings and Improvements	79,350,040	82,188,807
Equipment	4,428,482	4,978,940
Total Net Capital Assets	<u>\$87,643,262</u>	<u>\$88,324,526</u>

The increase in capital assets is mainly due to the completion of new buildings for the District.

See Note 6 in the Notes to the Basic Financial Statements for further details on the District's capital assets.

Trotwood-Madison City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

Debt

At June 30, 2010, the District had \$42,829,153 in debt outstanding, \$790,000 due within one year. Table 5 summarizes debt outstanding.

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2010	2009
2002 Refunding Bonds:		
Current Interest Bonds	\$1,190,000	\$1,725,000
Capital Appreciation Bonds	355,000	355,000
Accretion of Interest	851,380	670,811
2007 Refunding Bonds:		
Current Interest Bonds	28,605,000	28,605,000
Capital Appreciation Bonds	1,010,000	1,010,000
Accretion of Interest	518,142	348,892
Premium	786,966	824,440
Capital Leases:		
2008 Classroom Facilities Project Lease - COP	9,430,000	9,635,000
2008 Classroom Facilities Project Lease - Premium	82,665	85,972
Total Long-Term Notes, Bonds and Capital Leases	<u>\$42,829,153</u>	<u>\$43,260,115</u>

See Notes 7-8 in the Notes to the Basic Financial Statements for further details on the District's long-term obligations.

For the Future

In July, 2009, the Ohio's Governor signed HB 1, the state biennium budget bill. Included in this bill was a complete overhaul of the school funding model for all school districts in Ohio. The new Ohio Evidence-Based Model (OEBM) replaces the long-standing foundation formula that was declared unconstitutional by the Ohio Supreme Court. If ever fully-funded, the new model has the potential to drive funding based on student needs and could result in additional revenue. However, the current economic crisis has reduced revenue at the state level prompting budget reduction measures across the State. As such, the OEBM model is being phased in with FY 10 and FY 11 funding being allocated based on 99% of FY 09 funding and 98% of FY 10 funding, respectively. Federal stimulus funds are being used in Ohio to balance the education budget and as such, funding for public education at the current level is not secure beyond FY 11. This uncertainty could have a major impact on our instructional and operational programs. The need for additional revenue and or expenditure reductions will need to be monitored closely.

The District has committed itself to financial excellence for many years. The District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 1999 and the GFOA Budget Award since 1999.

Trotwood-Madison City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
(Unaudited)

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

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Diana C. Whitt, Treasurer, Trotwood-Madison City Schools, 444 South Broadway, Trotwood, Ohio 45426. Telephone (937) 854-3050 x 222. Email dianawhitt@trotwood.k12.oh.us.

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Trotwood-Madison City School District, Ohio
Statement of Net Assets
June 30, 2010

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Investments	\$22,104,535
Restricted Cash and Investments	81,076
Cash and Cash Equivalents with Fiscal Agent	130,655
Receivables:	
Taxes	13,803,081
Accounts	130,433
Intergovernmental	778,764
Deferred Bond/Certificate of Participation Issuance Costs	670,780
Inventory	24,868
Nondepreciable Capital Assets	3,864,740
Depreciable Capital Assets, Net	<u>83,778,522</u>
 Total Assets	 <u>125,367,454</u>
Liabilities:	
Accounts Payable	218,500
Accrued Wages and Benefits	3,452,731
Retainage Payable	130,655
Accrued Interest Payable	137,947
Contracts Payable	682,666
Unearned Revenue	10,342,929
Claims Payable	150,812
Long-Term Liabilities:	
Due Within One Year	1,271,322
Due In More Than One Year	<u>43,035,191</u>
 Total Liabilities	 <u>59,422,753</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	46,183,631
Restricted for:	
Debt Service	3,344,751
Capital Projects	5,269,118
BWC Refunds	81,076
Other Purposes	1,171,721
Unrestricted	<u>9,894,404</u>
 Total Net Assets	 <u>\$65,944,701</u>

See accompanying notes to the basic financial statements.

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Trotwood-Madison City School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2010

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$19,953,931	\$274,244	\$1,191,828	(\$18,487,859)
Special	4,753,099	70,581	3,648,034	(1,034,484)
Vocational	746	0	78,658	77,912
Other	817,924	21,385	458,742	(337,797)
Support Services:				
Pupil	2,202,523	0	923,346	(1,279,177)
Instructional Staff	2,100,439	0	884,780	(1,215,659)
General Administration	50,415	0	0	(50,415)
School Administration	2,490,069	103,451	52,523	(2,334,095)
Fiscal	623,473	78	544	(622,851)
Business	575,557	0	0	(575,557)
Operations and Maintenance	3,328,545	15,155	16,539	(3,296,851)
Pupil Transportation	1,577,957	0	154,523	(1,423,434)
Central	1,804,892	0	22,409	(1,782,483)
Operation of Non-Instructional Services	2,025,736	197,948	2,010,634	182,846
Extracurricular Activities	572,475	21,875	0	(550,600)
Interest and Fiscal Charges	2,061,942	0	0	(2,061,942)
Total Governmental Activities	\$44,939,723	\$704,717	\$9,442,560	(34,792,446)

General Revenues:

Property Taxes Levied for:

General Purposes	9,061,543
Special Revenue Purposes	125,002
Debt Service Purposes	2,034,414
Capital Projects Purposes	661,417
Grants and Entitlements not Restricted to Specific Programs	21,343,328
Revenue in Lieu of Taxes	55,770
Investment Earnings	51,592
Other Revenues	648,600

Total General Revenues 33,981,666

Change in Net Assets (810,780)

Net Assets Beginning of Year 66,755,481

Net Assets End of Year \$65,944,701

See accompanying notes to the basic financial statements.

Trotwood-Madison City School District, Ohio
Balance Sheet
Governmental Funds
June 30, 2010

	General	Debt Service	Building	Classroom Facilities	Other Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$8,533,896	\$2,426,392	\$4,095,235	\$3,738,393	\$1,778,318
Restricted Cash and Investments	81,076	0	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	67,941	62,714	0
Receivables:					
Taxes	10,592,514	2,370,479	0	0	840,088
Accounts	130,433	0	0	0	0
Intergovernmental	55,770	0	0	0	722,994
Interfund	2,486,258	0	0	0	8,649
Inventory	0	0	0	0	24,868
Total Assets	21,879,947	4,796,871	4,163,176	3,801,107	3,374,917
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	155,169	0	0	0	63,331
Accrued Wages and Benefits	2,498,412	0	0	0	954,319
Compensated Absences	312,455	0	0	0	0
Retainage Payable	0	0	67,941	62,714	0
Contracts Payable	0	0	437,542	245,124	0
Interfund Payable	0	0	0	2,336,338	158,569
Deferred Revenue	10,103,964	2,242,577	0	0	1,447,958
Total Liabilities	13,070,000	2,242,577	505,483	2,644,176	2,624,177
Fund Balances:					
Reserved for Encumbrances	0	0	2,474,158	1,310,250	80,631
Reserved for Inventory	0	0	0	0	24,868
Reserved for Property Tax Advances	544,320	127,902	0	0	115,124
Reserved for BWC Refunds	81,076	0	0	0	0
Unreserved, Undesignated, Reported in:					
General Fund	8,184,551	0	0	0	0
Special Revenue Funds	0	0	0	0	521,468
Debt Service Funds	0	2,426,392	0	0	0
Capital Projects Funds	0	0	1,183,535	(153,319)	8,649
Total Fund Balances	8,809,947	2,554,294	3,657,693	1,156,931	750,740
Total Liabilities and Fund Balances	\$21,879,947	\$4,796,871	\$4,163,176	\$3,801,107	\$3,374,917

See accompanying notes to the basic financial statements.

Total
Governmental
Funds

\$20,572,234
81,076
130,655

13,803,081
130,433
778,764
2,494,907
24,868

38,016,018

218,500
3,452,731
312,455
130,655
682,666
2,494,907
13,794,499

21,086,413

3,865,039
24,868
787,346
81,076

8,184,551
521,468
2,426,392
1,038,865

16,929,605

\$38,016,018

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Trotwood-Madison City School District, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Assets of Governmental Activities
 June 30, 2010

Total Governmental Fund Balance		\$16,929,605
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		87,643,262
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	2,728,576	
Intergovernmental	<u>722,994</u>	
		3,451,570
An internal service fund is used by management to charge back costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		1,381,489
In the statement of net assets interest payable is accrued when incurred, whereas in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		(137,947)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.		
Compensated Absences		(1,164,905)
Deferred bond issuance cost associated with long-term liabilities are not reported in the funds.		670,780
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(42,829,153)</u>
Net Assets of Governmental Activities		<u>\$65,944,701</u>

See accompanying notes to the basic financial statements.

Trotwood-Madison City School District, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2010

	General	Debt Service	Building	Classroom Facilities	Other Governmental Funds
Revenues:					
Taxes	\$8,568,417	\$1,935,394	\$0	\$0	\$746,377
Revenue in lieu of taxes	55,770	0	0	0	0
Tuition and Fees	320,073	0	0	0	0
Investment Earnings	42,622	0	3,432	5,537	0
Intergovernmental	23,184,992	296,704	0	0	7,150,241
Extracurricular Activities	0	0	0	0	125,404
Charges for Services	0	0	0	0	244,085
Other Revenues	634,269	0	0	0	29,485
Total Revenues	32,806,143	2,232,098	3,432	5,537	8,295,592
Expenditures:					
Current:					
Instruction:					
Regular	15,652,453	0	0	0	1,093,154
Special	3,079,067	0	0	0	1,590,960
Other	409,839	0	0	0	414,802
Support Services:					
Pupil	1,162,402	0	0	0	1,040,280
Instructional Staff	1,370,350	0	0	0	724,544
General Administration	50,415	0	0	0	0
School Administration	2,183,949	0	0	0	174,634
Fiscal	580,024	27,832	696	0	14,825
Business	576,818	0	0	0	1,457
Operations and Maintenance	3,227,929	0	0	0	148,947
Pupil Transportation	1,490,251	0	0	0	767
Central	1,243,903	0	0	0	492,694
Operation of Non-Instructional Services	10,415	0	0	0	2,163,671
Extracurricular Activities	454,209	0	0	0	47,202
Capital Outlay	26,850	0	995,078	1,551,865	0
Debt Service:					
Principal Retirement	0	535,000	0	0	205,000
Interest and Fiscal Charges	0	1,294,726	0	0	430,238
Total Expenditures	31,518,874	1,857,558	995,774	1,551,865	8,543,175
Excess of Revenues Over (Under) Expenditures	1,287,269	374,540	(992,342)	(1,546,328)	(247,583)
Other Financing Sources (Uses):					
Transfers In	119,396	0	0	0	328,722
Transfers (Out)	(328,722)	0	0	0	(119,396)
Total Other Financing Sources (Uses)	(209,326)	0	0	0	209,326
Net Change in Fund Balance	1,077,943	374,540	(992,342)	(1,546,328)	(38,257)
Fund Balance Beginning of Year	7,732,004	2,179,754	4,650,035	2,703,259	788,997
Fund Balance End of Year	\$8,809,947	\$2,554,294	\$3,657,693	\$1,156,931	\$750,740

See accompanying notes to the basic financial statements.

Total Governmental Funds
\$11,250,188
55,770
320,073
51,591
30,631,937
125,404
244,085
663,754
43,342,802
16,745,607
4,670,027
824,641
2,202,682
2,094,894
50,415
2,358,583
623,377
578,275
3,376,876
1,491,018
1,736,597
2,174,086
501,411
2,573,793
740,000
1,724,964
44,467,246
(1,124,444)
448,118
(448,118)
0
(1,124,444)
18,054,049
\$16,929,605

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Trotwood-Madison City School District, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2010

Net Change in Fund Balance - Total Governmental Funds (\$1,124,444)

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

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

Capital assets used in governmental activities	3,040,772	
Depreciation Expense	<u>(3,722,036)</u>	
		(681,264)

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

Delinquent Property Taxes	632,188	
Intergovernmental	<u>153,953</u>	
		786,141

Repayment of bond, capital lease and certificate of participation
 principal is an expenditure in the governmental funds, but the
 repayment reduces long-term liabilities in the statement of net assets. 740,000

In the statement of activities interest expense is accrued when incurred,
 whereas in governmental funds an interest expenditure is reported
 when due. 2,165

Some expenses reported in the statement of activities do not require the
 use of current financial resources and therefore are not reported as
 expenditures in governmental funds.

Compensated Absences	72,351	
Amortization of Bond/Certificate of Participation Issuance Cost	(30,105)	
Amortization of Bond/Certificate of Participation Premium	40,781	
Bond Accretion	<u>(349,819)</u>	
		(266,792)

The internal service fund used by management to charge back costs
 to individual funds is not reported in the district-wide statement of
 activities. Governmental fund expenditures and the related internal
 service fund revenues are eliminated. The net revenue (expense) of
 the internal service fund is allocated among the governmental activities. (266,586)

Change in Net Assets of Governmental Activities (\$810,780)

See accompanying notes to the basic financial statements.

Trotwood-Madison City School District, Ohio
Statement of Net Assets
Proprietary Fund
June 30, 2010

	<u>Governmental Activities- Internal Service Fund</u>
Assets:	
Current Assets:	
Equity in Pooled Cash and Investments	<u>\$1,532,301</u>
Total Current Assets	<u>1,532,301</u>
Liabilities:	
Current Liabilities:	
Claims Payable	<u>150,812</u>
Total Current Liabilities	<u>150,812</u>
Net Assets:	
Unrestricted	<u>1,381,489</u>
Total Net Assets	<u><u>\$1,381,489</u></u>

See accompanying notes to the basic financial statements.

Trotwood-Madison City School District, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2010

	<u>Governmental Activities- Internal Service Fund</u>
Operating Revenues:	
Charges for Services	<u>\$2,392,316</u>
Total Operating Revenues	<u>2,392,316</u>
Operating Expenses:	
Contractual Services	<u>2,663,770</u>
Total Operating Expenses	<u>2,663,770</u>
Operating Income (Loss)	<u>(271,454)</u>
Non-Operating Revenues (Expenses):	
Investment Earnings	<u>4,868</u>
Total Non-Operating Revenues (Expenses)	<u>4,868</u>
Change in Net Assets	(266,586)
Net Assets Beginning of Year	<u>1,648,075</u>
Net Assets End of Year	<u><u>\$1,381,489</u></u>

See accompanying notes to the basic financial statements.

Trotwood-Madison City School District, Ohio
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2010

	<u>Governmental Activities- Internal Service Fund</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$2,392,316
Cash Payments for Claims	<u>(2,772,253)</u>
Net Cash Provided (Used) by Operating Activities	<u>(379,937)</u>
Cash Flows from Investing Activities:	
Earnings on Investments	<u>4,868</u>
Net Cash Provided (Used) by Cash Flows from Investing Activities	<u>4,868</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(375,069)
Cash and Cash Equivalents Beginning of Year	<u>1,907,370</u>
Cash and Cash Equivalents End of Year	<u><u>1,532,301</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(271,454)
Changes in Assets & Liabilities:	
Increase (Decrease) in Accrued Liabilities	<u>(108,483)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(\$379,937)</u></u>

See accompanying notes to the basic financial statements.

Trotwood-Madison City School District, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	Private Purpose Trust	Agency
	<u> </u>	<u> </u>
Assets:		
Equity in Pooled Cash and Investments	\$60,641	\$12,430
	<u> </u>	<u> </u>
Total Assets	<u>60,641</u>	<u>12,430</u>
Liabilities:		
Accounts Payable	0	40
Other Liabilities	0	12,390
	<u> </u>	<u> </u>
Total Liabilities	<u>0</u>	<u>\$12,430</u>
Net Assets:		
Held in Trust	<u>60,641</u>	
Total Net Assets	<u>\$60,641</u>	

See accompanying notes to the basic financial statements.

Trotwood-Madison City School District, Ohio
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2010

	<u>Private Purpose Trust</u>
Additions:	
Donations	\$552
Investment Earnings	148
Total Additions	<u>700</u>
Deductions:	
Scholarships	<u>9,577</u>
Total Deductions	<u>9,577</u>
Change in Net Assets	(8,877)
Net Assets Beginning of Year	<u>69,518</u>
Net Assets End of Year	<u><u>\$60,641</u></u>

See accompanying notes to the basic financial statements.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 1 - Summary of Significant Accounting Policies

Description of the District

The Trotwood-Madison City School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Trotwood-Madison City School District is a city school district as defined by Section 3311.02, Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District.

Management believes the financial statements included in this report represent all of the funds of the District for which the Board of Education has fiscal responsibility.

Reporting Entity

In accordance with Governmental Accounting Standards Board [GASB] Statement 14, as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units", the financial reporting entity consists of a primary government. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments.

There are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing body is financially accountable. The District's major operations include education, pupil transportation, food service, and maintenance of District facilities.

The District is associated with three organizations, which are defined as jointly governed organizations. These organizations are presented in Notes 14.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (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 District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and proprietary funds provided they do not conflict with or contradict GASB pronouncements.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Measurement Focus

Government-wide Financial Statements

The government-wide statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the statement of net assets. Fiduciary Funds are not included in entity-wide statements.

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

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets 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 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 District finances and meets the cash flow needs of its proprietary activities.

Private purpose trust funds are reported using the economic resources measurement focus.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories governmental, 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 following are the District's major governmental 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 balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Debt Service Fund – The debt service fund is used to account for the accumulation of resources for the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the District is obligated in some manner for the payment.

Building Fund – The building fund is used to account for receipts and expenditures related to the acquisition and construction of capital facilities including real property.

Classroom Facilities – The classroom facilities fund is used to account for the receipts and expenditures related to construction projects.

Other governmental funds of the District are used to account for (a) the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs; (b) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by trust funds; and (c) for grants and other resources whose use is restricted to a particular purpose.

Proprietary Fund

Proprietary fund reporting focuses on the determination of operating income changes in net assets, financial position and cash flows. Proprietary funds are classified as enterprise or internal service.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Internal Service Fund – This fund is used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost reimbursement basis. The District has a self-insurance fund which is used to provide employee health and dental benefits.

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. Private purpose trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's only trust fund is a private purpose trust which accounts for scholarship programs for students. The District's Agency fund is a student managed activity fund which accounts for assets and liabilities generated by student managed activities.

Note 2 - Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions

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

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

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

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2010, but which were levied to finance fiscal year 2011 operations, have been recorded as 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.

Unearned Revenue

Unearned revenue represents amounts under the accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

Expenses/Expenditures

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

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

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. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Equity in Pooled Cash and Investments

Cash received by the District is pooled for investment purposes. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the financial statements.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposits and repurchase agreements are reported at cost.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2010. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule2A7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30, 2010. The District also has invested in Money Markets.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during the current fiscal year amounted to \$42,622 credited to the general fund, \$3,432 credited to the building fund and \$5,537 credited to the classroom facilities fund.

For purposes of the statement of cash flows, the internal service portion of pooled cash and investments is considered a cash equivalent because the District is able to withdraw resources from the internal service funds without prior notice or penalty.

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories are accounted for using the purchase method on the fund level statements and using the consumption method on the government-wide statements.

On the fund financial statements, 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 spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Capital Assets

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

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20-40 years
Equipment	5-20 years

Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting payment method. The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, a liability is recorded only for the portion of unpaid compensated absences that have matured, for example, as a result of employee resignations and retirements.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

The District’s policies regarding compensated absences are determined by the state laws and/or negotiated agreements. In summary, the policies are as follows:

<u>Vacation</u>	<u>Certificated</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How earned	not eligible	20-23 days	10-20 days for each service year depending on length of service
Maximum accumulation	not applicable	30 days unless special permission granted	30-60 days
Vested	not applicable	as earned	as earned
Termination entitlement	not applicable	30 days maximum	paid upon termination
<u>Sick Leave</u>	<u>Certificated</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How earned	1 ¼ days per month of employment (15 days per year)	1 ¼ days per month of employment (15 days per year)	1 ¼ days per month of employment (15 days per year)
Maximum accumulation	350 days	350 days	350 days
Vested	as earned	as earned	as earned
Termination entitlement	per contract	per contract	per contract

These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid primarily from the General Fund.

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment the current year. Bonds are recognized as a liability on the fund financial statements when due.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

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 District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the \$9,866,666 in restricted net assets, none were restricted by enabling legislation.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the internal service fund. For the District, these revenues are charges for services for the primary activity of the fund. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Interfund Activity

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

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as interfund "receivables/payables". These amounts are eliminated in the governmental activities columns of the statement of net assets.

As a general rule, the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

Fund Equity

Reserved fund balances indicate a portion of fund equity which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, inventory, property tax advances and BWC refunds. The reserve for property tax advances represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The unreserved portion of fund equity,

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

reflected for the Governmental Funds, is available for use within the specific purpose of those funds.

Restricted Resources

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Estimates

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

Restricted Assets

Restricted assets in the general fund represent cash and investments set-aside to establish a BWC refund reserve. These reserves are required by state statute. A schedule of statutory reserves is presented in a separate note.

Cash With Fiscal Agent

Cash and Cash Equivalents with Fiscal Agent in the building and other governmental funds represent equity in pooled cash and investments set aside for retainage payable.

Note 3 - Equity in Pooled Cash and Investments

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

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

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

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

Interim Monies – Those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Ohio law permits interim monies to be invested or deposited in the following securities:

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds, and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation, 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 moneys deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

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" and amended by GASB Statement 40, "Deposit and Investment Risk Disclosures".

Cash with Fiscal Agents

The District's cash with fiscal agents consists of amounts held in escrow for contractors for which the District has held retainage. The total amount held by fiscal agents at June 30, 2010 was \$130,655.

Deposits

Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosures", as of June 30, 2010, none of the District's bank balance of \$5,428,213 was exposed to custodial risk.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District.

Investments

As of June 30, 2010, the District had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Money Market Funds	\$7,576,518	0.00
STAROhio	9,506,150	0.15
Total Fair Value	\$17,082,668	
Portfolio Weighted Average Maturity		0.09

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Interest Rate Risk - In accordance with the investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

Credit Risk – It is the District’s policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings issued by nationally recognized statistical rating organizations. Investments in STAROhio were rated AAAM by Standard & Poor’s. Money Market Funds were not rated.

Concentration of Credit Risk – The District’s investment policy allows investments in Federal Agencies or Instrumentalities. The District has invested 44% in Money Market Funds and 56% in STAROhio.

Custodial Credit Risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the District’s securities are either insured and registered in the name of the District or at least registered in the name of the District.

Note 4 - Property Taxes

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value.

Tangible personal property tax revenue received during calendar year 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and interexchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after April 1, 2009, on the value as of December 31, 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. The District receives property taxes from Hamilton County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2010, are available to finance fiscal year 2011 operations. The amount available for advance 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, 2010. 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. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance \$544,320 in the General Fund, \$127,902 in the Debt Service Fund and \$115,524 in Other Governmental Funds.

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

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

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$274,457,540
Public Utility	7,852,180
Tangible Personal Property	<u>226,430</u>
Total	<u><u>\$282,536,150</u></u>

Note 5 – Receivables

Receivables at June 30, 2010, consisted of taxes, accounts, intergovernmental grants, and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 6 - Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,156,779	\$0	\$0	\$1,156,779
Construction in Progress	0	2,707,961	0	2,707,961
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	92,748,303	0	0	92,748,303
Equipment	9,370,025	332,811	0	9,702,836
Totals at Historical Cost	<u>103,275,107</u>	<u>3,040,772</u>	<u>0</u>	<u>106,315,879</u>
Less Accumulated Depreciation:				
Buildings and Improvements	10,559,496	2,838,767	0	13,398,263
Equipment	4,391,085	883,269	0	5,274,354
Total Accumulated Depreciation	<u>14,950,581</u>	<u>3,722,036</u>	<u>0</u>	<u>18,672,617</u>
Governmental Activities Capital Assets, Net	<u>\$88,324,526</u>	<u>(\$681,264)</u>	<u>\$0</u>	<u>\$87,643,262</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$3,005,076
Special	57,165
Vocational	746
Other Instruction	257
Support Services:	
Pupil	1,736
Instructional Staff	13,174
School Administration	153,730
Business	337
Operations and Maintenance	81,986
Pupil Transportation	186,621
Central	104,742
Operation of Non-Instructional Services	48,687
Extracurricular Activities	67,779
Total Depreciation Expense	<u>\$3,722,036</u>

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 7 - Capitalized Leases

On August 15, 2007, the District issued \$10,000,000 in Certificates of Participation (COPS) with an average interest rate of 4.75%, which was used to advance refund \$9,796,000 of outstanding 2004 OASBO Lease with an average interest rate of 5.15%. The District purchased \$10,092,586 in U.S. Government Securities which were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2004 OASBO Lease. As a result, \$9,796,000 of the 2004 OASBO Lease are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Assets.

The District advance refunded the 2004 OASBO Lease to reduce its total debt service payments and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt).

The following is a schedule of the future long term minimum lease payments required under the capital lease and the present value of the net minimum lease payments at June 30, 2010:

Fiscal Year Ending June 30	Capital Leases
2011	\$636,007
2012	631,357
2013	631,514
2014	631,322
2015	630,850
2016-2020	3,164,007
2021-2025	3,147,725
2026-2030	3,134,563
2031-2035	3,131,363
Total	15,738,708
Less: amount representing interest	(6,308,708)
Present Value of Future Minimum Lease Payments	<u>\$9,430,000</u>

Capital assets acquired under capital leases in accordance with Statement of Financial Accounting Standards No. 13 are as follows:

Buildings and Improvements	\$10,157,000
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Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 8 - Long-Term Liabilities

The change in the District's long-term obligations during the year consist of the following:

Governmental Activities:	Maturity	Interest Rate	Beginning Principal Outstanding	Issued	Retired	Ending Principal Outstanding	Due In One Year
Bonds and Notes:							
2002 Refunding Bonds:							
Current Interest Bonds	12/1/11	4.97%	\$1,725,000	\$0	\$535,000	\$1,190,000	\$575,000
Capital Appreciation Bonds	12/1/14		355,000	0	0	355,000	0
Accretion of Interest			670,811	180,569	0	851,380	0
2007 Refunding Bonds:							
Current Interest Bonds	12/1/30	4.40%	28,605,000	0	0	28,605,000	0
Capital Appreciation Bonds	12/1/16		1,010,000	0	0	1,010,000	0
Accretion of Interest			348,892	169,250	0	518,142	0
Premium on 2007 Refunding			824,440	0	37,474	786,966	0
Total Notes and Bonds:			33,539,143	349,819	572,474	33,316,488	575,000
Capital Leases:							
2008 Classroom Facilities Project Lease - COP	12/1/34	4.75%	9,635,000	0	205,000	9,430,000	215,000
2008 Classroom Facilities Project Lease - Premium			85,972	0	3,307	82,665	0
Total Long-Term Debt			43,260,115	349,819	780,781	42,829,153	790,000
Compensated Absences			1,272,626	386,150	181,416	1,477,360	481,322
Total Governmental Activities Long-Term Liabilities			\$44,532,741	\$735,969	\$962,197	\$44,306,513	\$1,271,322

Bonds and notes payable will be paid from the debt service and permanent improvement funds. Compensated absences will mainly be paid from the general fund.

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

Fiscal Year Ending June 30	Current Interest Bonds and Notes			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$575,000	\$1,276,534	\$1,851,534	\$0	\$0	\$0
2012	615,000	1,255,402	1,870,402	0	0	0
2013	0	1,244,332	1,244,332	120,000	610,000	730,000
2014	0	1,244,332	1,244,332	234,565	655,435	890,000
2015	0	1,244,332	1,244,332	207,430	797,570	1,005,000
2016-2020	3,875,000	5,983,978	9,858,978	803,005	1,646,995	2,450,000
2021-2025	9,060,000	4,524,141	13,584,141	0	0	0
2026-2030	13,205,000	2,131,762	15,336,762	0	0	0
2031	2,465,000	55,462	2,520,462	0	0	0
Total	\$29,795,000	\$18,960,275	\$48,755,275	\$1,365,000	\$3,710,000	\$5,075,000

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 9 - Prior Year Defeasance of Debt

In prior years, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the District's financial statements. On June 30, 2010, \$29,825,000 of bonds outstanding are considered defeased.

Note 10 - Pension Plans

School Employees Retirement System Of Ohio

Plan Description

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under *Employers/Audit Resources*.

Funding Policy

Plan members are required to contribute 10% of their annual covered salary and District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care fund) of the System. For fiscal year ending June 30, 2010, the allocation to pension and death benefits is 12.78%. The remaining 1.22% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The District's contributions to SERS for the years ended June 30, 2010, 2009, and 2008 were \$779,472, \$846,012 and \$803,688 respectively; 54% has been contributed for fiscal year 2010 and 100% for fiscal years 2009 and 2008.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

State Teachers Retirement System of Ohio

Plan Description

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution, or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof. Additional information or copies of STRS Ohio's *Comprehensive Annual Financial Report* can be requested by writing to STRS Ohio, 275 E. Broad Street, Columbus, OH 43215-3771, by calling toll-free 1-888-227-7877, or by visiting the STRS Ohio web site at www.strsoh.org.

Plan Options

New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

DB Plan Benefits

Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit," the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the "money-purchase benefit" calculation, a member's lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

DC Plan Benefits

Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members' accounts are vested after the first anniversary of the first day of paid service. 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.

Combined Plan Benefits

Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying 1% of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

Eligible faculty of Ohio's public colleges and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offered by their employer. Employees have 120 days from their employment date to select a retirement plan.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalizations, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

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 members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

Funding Policy

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. 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.

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2010, were 10% of covered payroll for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2010, 2009, and 2008 were \$2,129,424, \$2,064,072 and \$1,810,332, respectively; 84% has been contributed for fiscal year 2010 and 100% for fiscal years 2009 and 2008.

Note 11 - Post Employment Benefits

School Employees Retirement System of Ohio

Plan Description

In addition to a cost-sharing multiple-employer defined benefit pension plan, the School Employees Retirement System of Ohio (SERS) administers two postemployment benefit plans.

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2010 was \$96.40; SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2010, the actuarially required allocation was .75%. District contributions for the year ended June 30, 2010, 2009 and 2008 were \$42,314, \$45,322 and \$39,036, respectively, which equaled the required contributions each year.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Health Care Plan

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

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

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2010, the health care allocation was 0.46%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2010, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District contributions assigned to health care for the years ended June 30, 2010, 2009, and 2008 were \$25,611, \$251,386, and \$190,589, respectively. 54% has been contributed for fiscal year 2010 and 100% for fiscal years 2009 and 2008.

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

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

State Teachers Retirement System of Ohio

Plan Description

STRS Ohio administers a pension plan that is comprised of: a Defined Benefit Plan; a self-directed Defined Contribution Plan and a Combined Plan that is a hybrid of the Defined Benefit and the Defined Contribution Plan.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Ohio law authorized STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums.

Pursuant to 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent *Comprehensive Annual Financial Report* by visiting www.strsoh.org or by requesting a copy by calling toll-free 1-888-227-7877.

Funding Policy

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contributions rate, 1% of covered payroll was allocated to post-employment health care for the year ended June 30, 2010, 2009 and 2008. The 14% employer contribution rate is the maximum rate established under Ohio law. The District contributions for the years ended June 30, 2010, 2009, and 2008 were \$152,101, \$147,434, and \$129,304, respectively. 84% has been contributed for fiscal year 2010 and 100% for fiscal years 2009 and 2008.

Note 12 - Contingent Liabilities

Grants

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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 effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District as of June 30, 2010.

Litigation

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 13 - Risk Management

The District is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During the fiscal year, the District contracted with Ohio Casualty Insurance Co. for building and property insurance. This policy has a limit of insurance in the amount of \$102,780,604 for property. Property has a \$2,500 deductible. Vehicle insurance is covered by Selective Insurance Company of South Carolina for replacement cost with a \$500 deductible for comprehensive and a \$500 deductible for collision. General liability insurance is under Ohio Casualty Insurance Co. The base policy has a \$1,000,000 per occurrence and a \$2,000,000 aggregate limit. The treasurer and business director are bonded. There were no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage during the past three fiscal years.

The District is a member of the Southwestern Ohio Educational Purchasing Counsel (SOEPC). The Counsel contracts with Accordia, Inc. to provide an insurance purchasing pool for workers compensation. The intent of the pool is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the pool. The workers compensation experience of the participating school district is calculated as one experience and a common premium rate is applied to all school districts in the pool. Each participant pays its workers compensation premium to the State based on the rate for the pool rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the pool. A participant will then either receive money from or be required to contribute to the pool. This equity pooling arrangement insures that each participant shares equally in the overall performance of the pool. Participation in the pool is limited to school districts that can meet the pool's selection criteria. Accordia, Inc. provides administrative, cost control and actuarial services to the SOEPC.

The District has elected to provide employee health and dental benefits through a self-insured program. The District maintains an Employee Benefits Internal Service Fund to account for and finance its uninsured risks of loss in these programs. The District utilizes a third party administrator, United Healthcare and Core Source, to review all claims, which are then paid by the District. Employees are required to share in the costs of the plan along with the District.

The claims liability of \$150,812 reported in the fund at June 30, 2010, is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 10, as amended by GASB Statement No. 30, "Risk Financing Omnibus" which requires that a liability for claims be reported if information prior to issuance of financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated.

The total amount of the liability for claims has been reported as claims payable in the Government-wide Financial Statements since based on past history no claims are expected to exceed one year. In the Fund Financial Statements, the total amount of the liability for claims has been reported as a fund liability since based on past history all claims are expected to be paid with expendable available financial resources.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Changes in the fund's claims liability amount in fiscal years 2008, 2009, and 2010 were as follows:

	Balance at <u>July 1</u>	Current Year <u>Claims</u>	Claim <u>Payments</u>	Balance at <u>June 30</u>
2007/2008	\$289,334	\$3,059,231	\$3,146,293	\$202,272
2008/2009	202,272	2,418,945	2,361,922	259,295
2009/2010	259,295	1,850,006	1,958,489	150,812

Note 14 - Jointly Governed Organizations

Metropolitan Dayton Educational Computer Association - The District is a member of the Metropolitan Dayton Educational Computer Association (MDECA), which is a computer consortium of area school districts sharing computer resources. MDECA is an association of public school districts in a geographical area determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative instructional functions among member districts. The Board of MDECA consists of one representative from each of the participating members. Each member pays an annual membership fee plus any other fees for services performed by the consortium.

Southwestern Ohio Instructional Technology Association – The Southwestern Ohio Instructional Technology Association (SOITA) is a not-for-profit corporation formed under section 1702.01 of the Ohio Revised Code. The purpose of the corporation is to serve the educational needs of the area through television programming for the advancement of educational programs.

The Board of Trustees is comprised of twenty-one representatives of SOITA member schools or institutions. Nineteen representatives are elected from within the counties by the qualified members within the counties, i.e., Auglaize, Butler, Champaign, Clark, Clinton, Darke, Fayette, Greene, Hamilton, Logan, Mercer, Miami, Montgomery, Preble, Shelby, and Warren. Montgomery, Greene, and Butler Counties shall elect two representatives per area. All others shall elect one representative per area. All superintendents except for those from educational service centers vote on the representatives after the nominating committee nominates individuals to run. One at-large non-public service representative shall be elected by the non-public school SOITA members as the State assigned SOITA service area. One at-large higher education representative shall be elected by higher education SOITA members from within the State assigned SOITA service area.

All member districts are obligated to pay all fees, charges, or other assessments as established by the SOITA. Upon dissolution, the net assets shall be distributed to the federal government, or to a state or local government for a public purpose. Payments to SOITA are made from the General Fund. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Steve Strouse, who serves as Director, at 150 East Sixth Street, Franklin, Ohio 45005.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Miami Valley Career Technology Center – The Miami Valley Career Technology Center (MVCTC) is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the fifteen participating school districts' elected boards, which possesses its own budgeting and taxing authority. One member is appointed from the following city and/or exempted village school districts: Carlisle, Miamisburg, Milton-Union, Northmont, Vandalia, Versailles, Huber Heights, Eaton, Trotwood, Tipp City, and West Carrollton. Three members are appointed from the Montgomery County Educational Service Center, one is appointed from the Miami County Educational Service Center, one from the Darke County Educational Service Center, and one from the Preble County Educational Service Center. All member districts are obligated to pay all fees, charges or other assessments as established by MVCTC. To obtain financial information, write to the Miami Valley Career Technology Center, Debbie Gossett, who serves as Treasurer, at 6800 Hoke Road, Clayton, Ohio 45315.

Note 15 – Accountability

As of year end the following funds had deficit fund balances:

<u>Other Governmental Funds:</u>	
Title VIB/Preschool	\$202,109
Title I	232,635
EHA Preschool Grant	3,454
Title VI-R	40,797
Public School Preschool	31,132
Title II-D	21,795

The deficit in fund balances were primarily due to accrual in GAAP. The general fund is liable for any deficit in these funds and will provide operating transfers when cash is required not when accruals occur.

Note 16 - Fund Balance Reserves for Set-Asides

The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the 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.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set Aside Reserve Balance as of June 30, 2009	(\$1,623,079)	\$0	\$81,076
Current Year Set Aside Requirements	479,130	479,130	0
Qualified Disbursements	(227,976)	(166,856)	0
Current Year Offsets	0	(43,342,381)	0
Set Aside Reserve Balance as of June 30, 2010	<u>(\$1,371,925)</u>	<u>(\$43,030,107)</u>	<u>\$81,076</u>
Restricted Cash as of June 30, 2010	<u>\$0</u>	<u>\$0</u>	<u>\$81,076</u>
Carried Forward to FY 2011	<u>(\$1,371,925)</u>		

The District had qualifying disbursements for textbooks of \$227,976 that exceeded the required set-aside, resulting in a carry forward balance of \$1,371,925 that can be used against future year textbook set-asides. The District issued \$44,774,000 in bonds and loans in fiscal year 2002 to provide for the construction of a new school building. This amount is an allowable offset to future years for the capital improvement and maintenance set-aside. The District had qualifying disbursements and offset carry forwards from prior years for capital acquisitions that exceeded the required set-aside. Offsets can be carried forward to use against future year capital acquisition set-asides.

Note 17 - Interfund Transactions

Interfund transactions at June 30, 2010, consisted of the following individual fund receivables and payables, transfers in and out.

	Interfund		Transfers	
	<u>Receivable</u>	<u>Payable</u>	<u>In</u>	<u>Out</u>
General Fund	\$2,486,258	\$0	\$119,396 *	\$328,722
Classroom Facilities	0	2,336,338	0	0
Other Governmental Funds	<u>8,649</u>	<u>158,569</u>	<u>328,722</u>	<u>119,396</u>
Total All Funds	<u>\$2,494,907</u>	<u>\$2,494,907</u>	<u>\$448,118</u>	<u>\$448,118</u>

* - \$119,396 was transferred into the General Fund from the Poverty Based Aid Fund. This transfer is in compliance with the ORC and the Poverty Based Aid Fund will be closed in the following fiscal year.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Interfund balances/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate and to return money to the fund from which it was originally provided once a project is completed.

Note 18 – Construction and Other Commitments

At June 30, 2010, uncompleted construction contract are as follows:

<u>Description</u>	<u>Remaining Commitment</u>
School Improvements	\$7,833,628

REQUIRED SUPPLEMENTARY INFORMATION

Trotwood-Madison City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$7,990,704	\$7,897,882	\$8,370,214	\$472,332
Revenue in lieu of taxes	53,241	52,623	55,770	3,147
Tuition and Fees	305,561	302,011	320,073	18,062
Investment Earnings	40,689	40,217	42,622	2,405
Intergovernmental	22,133,773	21,876,660	23,184,992	1,308,332
Other Revenues	480,992	475,404	503,836	28,432
Total Revenues	31,004,960	30,644,797	32,477,507	1,832,710
Expenditures:				
Current:				
Instruction:				
Regular	13,623,523	15,651,184	15,424,432	226,752
Special	2,796,492	3,212,708	3,166,163	46,545
Other	301,037	345,842	340,831	5,011
Support Services:				
Pupil	1,071,103	1,230,521	1,212,693	17,828
Instructional Staff	1,035,127	1,189,191	1,171,962	17,229
General Administration	44,529	51,156	50,415	741
School Administration	1,934,167	2,222,040	2,189,847	32,193
Fiscal	508,175	583,809	575,351	8,458
Business	503,026	577,894	569,522	8,372
Operations and Maintenance	2,810,348	3,228,627	3,181,851	46,776
Pupil Transportation	1,349,738	1,550,626	1,528,161	22,465
Central	1,071,009	1,230,413	1,212,587	17,826
Operation of Non-Instructional Services	9,199	10,568	10,415	153
Extracurricular Activities	401,039	460,728	454,053	6,675
Capital Outlay	68,471	78,662	77,522	1,140
Total Expenditures	27,526,983	31,623,969	31,165,805	458,164
Excess of Revenues Over (Under) Expenditures	3,477,977	(979,172)	1,311,702	2,290,874
Other Financing Sources (Uses):				
Advances In	207,648	205,236	217,510	12,274
Advances (Out)	(2,102,798)	(2,415,768)	(2,380,769)	34,999
Transfers In	417,757	412,904	437,598	24,694
Transfers (Out)	(571,391)	(656,434)	(646,924)	9,510
Total Other Financing Sources (Uses)	(2,048,784)	(2,454,062)	(2,372,585)	81,477
Net Change in Fund Balance	1,429,193	(3,433,234)	(1,060,883)	2,372,351
Fund Balance Beginning of Year, (includes prior year encumbrances appropriated)	9,559,257	9,559,257	9,559,257	0
Fund Balance End of Year	\$10,988,450	\$6,126,023	\$8,498,374	\$2,372,351

See accompanying notes to the required supplementary information.

Trotwood-Madison City School District, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2010

Note 1 - Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations resolution and the certificate of estimated resources which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures at the level of control selected by the Board. The legal level of control has been established by the Board at the fund level. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Any budgetary modifications at this level may only be made by resolution of the Board.

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

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

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

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

Trotwood-Madison City School District, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2010

4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$1,077,943
Revenue Accruals	(328,636)
Expenditure Accruals	469,667
Transfers In	318,202
Transfers Out	(318,202)
Advances In	217,510
Advances (Out)	(2,380,769)
Encumbrances	(116,598)
Budget Basis	<u><u>(\$1,060,883)</u></u>

**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

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MAJOR GOVERNMENTAL FUNDS

Debt Service Fund

The Debt Service Fund is used for the accumulation of resources for and the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the District is obligated in some manner for the payment. The District has only one major Debt Service Fund for fiscal year 2010. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Capital Projects Funds

The Capital Projects Funds is used to account for the financial resources to be used for the acquisition or construction of major capital facilities. The District has two major capital project funds for fiscal year 2010, the Building Fund and the Classroom Facilities Fund. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Basic Financial Statements. The Schedules of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follow this page.

Building - The building fund is used to account for receipts and expenditures related to the acquisition and construction of capital facilities including real property.

Classroom Facilities - The classroom facilities fund is used to account for the receipts and expenditures related to construction projects.

Trotwood-Madison City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$1,890,277	\$1,890,409	\$132
Intergovernmental	296,683	296,704	21
Total Revenues	<u>2,186,960</u>	<u>2,187,113</u>	<u>153</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	27,832	27,832	0
Debt Service:			
Principal Retirement	535,000	535,000	0
Interest and Fiscal Charges	1,294,726	1,294,726	0
Total Expenditures	<u>1,857,558</u>	<u>1,857,558</u>	<u>0</u>
Net Change in Fund Balance	329,402	329,555	153
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>2,096,837</u>	<u>2,096,837</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$2,426,239</u></u>	<u><u>\$2,426,392</u></u>	<u><u>\$153</u></u>

Trotwood-Madison City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	Building Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$3,432	\$3,432	\$0
Total Revenues	3,432	3,432	0
Expenditures:			
Current:			
Support Services:			
Fiscal	735	696	39
Capital Outlay	3,358,057	3,181,339	176,718
Total Expenditures	3,358,792	3,182,035	176,757
Excess of Revenues Over (Under) Expenditures	(3,355,360)	(3,178,603)	176,757
Other Financing Sources (Uses):			
Transfers In	2,062,200	2,062,200	0
Transfers (Out)	(2,176,752)	(2,062,200)	114,552
Total Other Financing Sources (Uses)	(114,552)	0	114,552
Net Change in Fund Balance	(3,469,912)	(3,178,603)	291,309
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,799,680	4,799,680	0
Fund Balance End of Year	\$1,329,768	\$1,621,077	\$291,309

Trotwood-Madison City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	Classroom Facilities Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$5,536	\$5,536	\$0
Total Revenues	5,536	5,536	0
Expenditures:			
Current:			
Capital Outlay	2,887,959	2,628,363	259,596
Total Expenditures	2,887,959	2,628,363	259,596
Excess of Revenues Over (Under) Expenditures	(2,882,423)	(2,622,827)	259,596
Other Financing Sources (Uses):			
Advances In	2,290,421	2,290,421	0
Transfers In	2,518,838	2,518,838	0
Transfers (Out)	(2,767,616)	(2,518,838)	248,778
Total Other Financing Sources (Uses)	2,041,643	2,290,421	248,778
Net Change in Fund Balance	(840,780)	(332,406)	508,374
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,760,549	2,760,549	0
Fund Balance End of Year	<u>\$1,919,769</u>	<u>\$2,428,143</u>	<u>\$508,374</u>

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

Trotwood-Madison City School District, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$1,778,288	\$30	\$1,778,318
Receivables:			
Taxes	139,550	700,538	840,088
Intergovernmental	722,994	0	722,994
Interfund	30	8,619	8,649
Inventory	24,868	0	24,868
Total Assets	2,665,730	709,187	3,374,917
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	63,331	0	63,331
Accrued Wages and Benefits	954,319	0	954,319
Interfund Payable	158,569	0	158,569
Deferred Revenue	849,052	598,906	1,447,958
Total Liabilities	2,025,271	598,906	2,624,177
Fund Balances:			
Reserved for Encumbrances	80,631	0	80,631
Reserved for Inventory	24,868	0	24,868
Reserved for Property Tax Advances	13,492	101,632	115,124
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	521,468	0	521,468
Capital Projects Funds	0	8,649	8,649
Total Fund Balances	640,459	110,281	750,740
Total Liabilities and Fund Balances	\$2,665,730	\$709,187	\$3,374,917

Trotwood-Madison City School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$118,351	\$628,026	\$746,377
Intergovernmental	7,063,981	86,260	7,150,241
Extracurricular Activities	125,404	0	125,404
Charges for Services	244,085	0	244,085
Other Revenues	29,485	0	29,485
Total Revenues	7,581,306	714,286	8,295,592
Expenditures:			
Current:			
Instruction:			
Regular	1,093,154	0	1,093,154
Special	1,590,960	0	1,590,960
Other	414,802	0	414,802
Support Services:			
Pupil	1,040,280	0	1,040,280
Instructional Staff	724,544	0	724,544
School Administration	174,634	0	174,634
Fiscal	6,684	8,141	14,825
Business	1,457	0	1,457
Operations and Maintenance	148,947	0	148,947
Pupil Transportation	767	0	767
Central	31,459	461,235	492,694
Operation of Non-Instructional Services	2,163,671	0	2,163,671
Extracurricular Activities	47,202	0	47,202
Debt Service:			
Principal Retirement	0	205,000	205,000
Interest and Fiscal Charges	0	430,238	430,238
Total Expenditures	7,438,561	1,104,614	8,543,175
Excess of Revenues Over (Under) Expenditures	142,745	(390,328)	(247,583)
Other Financing Sources (Uses):			
Transfers In	247	328,475	328,722
Transfers (Out)	(119,396)	0	(119,396)
Total Other Financing Sources (Uses)	(119,149)	328,475	209,326
Net Change in Fund Balance	23,596	(61,853)	(38,257)
Fund Balance Beginning of Year	616,863	172,134	788,997
Fund Balance End of Year	\$640,459	\$110,281	\$750,740

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

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

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

Classroom Facilities Maintenance - To account for state funds provided for classroom facilities maintenance.

Extracurricular Activity - To account for those student activity programs which have student participation in the activity but do not have student management in the programs. This fund includes athletic programs as well as the band, cheerleaders, flag corps and other similar types of activities.

Auxiliary Services - To account for state funds which provide services and materials to students attending non-public schools within the boundaries of the District as provided by state law.

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

Data Communications - To account for funds to be used for communications.

School Net Professional Development - To account for a limited number of professional development subsidy grants.

Ohio Reads - To account for state funds, which are designated reading.

Miscellaneous State Grants - To account for various monies received from state agencies which are not classified elsewhere.

Title VIB / Preschool - To account for federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels; assist in the training of teachers, supervisors and other specialist in providing educational services to the handicapped.

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

Title I - To account for federal funds for services provided to meet special educational needs of educationally deprived children.

Title V - To account for federal funds to provide programs for at-risk students; instructional materials to improve the quality of instruction; programs of professional development; programs to enhance personal excellence of students and student achievement.

Drug-Free Schools - To account for federal funds used for establishment, operation and improvement of programs of drug abuse prevention, early intervention, rehabilitation referral and education in schools.

EHA Pre-School Grant - To account for revenues and expenditures made in conjunction with child abuse, child neglect prevention programs and other grants.

Title VI-R - To account for federal funds to provide programs to enhance student achievement.

Miscellaneous Federal Grants - To account for various monies received directly from the federal government, which are, not classified elsewhere.

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

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

Poverty Based Aid - To account for federal funds for the poverty based aid program.

Public School Preschool - To account for state funds to assist school districts in paying the cost of pre-school programs.

Fiscal Stabilization – To account for monies was part of the American Recovery and Reinvestment Act of 2009. This was intended to provide money to school districts to prevent layoffs and cutbacks, with flexibility to use the funds for school modernization and repairs.

Title II-D – To account for competitive grant monies received from the Federal Government which focuses on professional development and student learning needed for the 21st century.

Trotwood-Madison City School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010

	Public School	Other Grants	Classroom Facilities Maintenance	Extracurricular Activity	Auxiliary Services
Assets:					
Equity in Pooled Cash and Investments	\$17,177	\$5,389	\$533,523	\$14,994	\$89,153
Receivables:					
Taxes	0	0	139,550	0	0
Intergovernmental	0	0	0	0	0
Interfund	0	0	0	0	0
Inventory	0	0	0	0	0
Total Assets	17,177	5,389	673,073	14,994	89,153
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	0	0	2,390	345	49
Accrued Wages and Benefits	0	0	0	0	11,996
Interfund Payable	0	421	0	0	0
Deferred Revenue	0	0	126,058	0	0
Total Liabilities	0	421	128,448	345	12,045
Fund Balances:					
Reserved for Encumbrances	0	0	10,750	0	2,846
Reserved for Inventory	0	0	0	0	0
Reserved for Property Tax Advances	0	0	13,492	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	17,177	4,968	520,383	14,649	74,262
Total Fund Balances	17,177	4,968	544,625	14,649	77,108
Total Liabilities and Fund Balances	\$17,177	\$5,389	\$673,073	\$14,994	\$89,153

Management Information	Data Communications	School Net Professional Development	Ohio Reads	Miscellaneous State Grants	Title VIB / Preschool	Title I
\$3,936	\$0	\$1	\$26	\$3,661	\$21,400	\$122,726
0	0	0	0	0	0	0
0	0	0	0	0	49,534	611,597
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>3,936</u>	<u>0</u>	<u>1</u>	<u>26</u>	<u>3,661</u>	<u>70,934</u>	<u>734,323</u>
0	0	0	0	0	0	33,008
0	0	0	0	0	202,925	268,962
0	0	0	0	0	20,584	53,391
0	0	0	0	0	49,534	611,597
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>273,043</u>	<u>966,958</u>
0	0	0	0	0	0	31,194
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>3,936</u>	<u>0</u>	<u>1</u>	<u>26</u>	<u>3,661</u>	<u>(202,109)</u>	<u>(263,829)</u>
<u>3,936</u>	<u>0</u>	<u>1</u>	<u>26</u>	<u>3,661</u>	<u>(202,109)</u>	<u>(232,635)</u>
<u>\$3,936</u>	<u>\$0</u>	<u>\$1</u>	<u>\$26</u>	<u>\$3,661</u>	<u>\$70,934</u>	<u>\$734,323</u>

Continued

Trotwood-Madison City School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010

	Title V	Drug-Free Schools	EHA Pre-School Grant	Title VI-R	Miscellaneous Federal Grants
Assets:					
Equity in Pooled Cash and Investments	\$0	\$2,163	\$1,525	\$38,503	\$5,953
Receivables:					
Taxes	0	0	0	0	0
Intergovernmental	0	13,119	750	29,611	0
Interfund	30	0	0	0	0
Inventory	0	0	0	0	0
Total Assets	30	15,282	2,275	68,114	5,953
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	0	0	0	0	0
Accrued Wages and Benefits	0	0	4,979	49,474	0
Interfund Payable	0	0	0	29,826	0
Deferred Revenue	0	13,119	750	29,611	0
Total Liabilities	0	13,119	5,729	108,911	0
Fund Balances:					
Reserved for Encumbrances	0	0	0	0	0
Reserved for Inventory	0	0	0	0	0
Reserved for Property Tax Advances	0	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	30	2,163	(3,454)	(40,797)	5,953
Total Fund Balances	30	2,163	(3,454)	(40,797)	5,953
Total Liabilities and Fund Balances	\$30	\$15,282	\$2,275	\$68,114	\$5,953

Food Service	Uniform School Supply	Poverty Based Aid	Public School Preschool	Fiscal Stabilization	Title II-D	Total Nonmajor Special Revenue Funds
\$160,548	\$17,893	\$302,530	\$31,883	\$402,886	\$2,418	\$1,778,288
0	0	0	0	0	0	139,550
0	0	0	17,909	0	474	722,994
0	0	0	0	0	0	30
24,868	0	0	0	0	0	24,868
<u>185,416</u>	<u>17,893</u>	<u>302,530</u>	<u>49,792</u>	<u>402,886</u>	<u>2,892</u>	<u>2,665,730</u>
27,539	0	0	0	0	0	63,331
141,395	0	35,647	25,042	206,060	7,839	954,319
0	0	0	37,973	0	16,374	158,569
0	0	0	17,909	0	474	849,052
<u>168,934</u>	<u>0</u>	<u>35,647</u>	<u>80,924</u>	<u>206,060</u>	<u>24,687</u>	<u>2,025,271</u>
35,841	0	0	0	0	0	80,631
24,868	0	0	0	0	0	24,868
0	0	0	0	0	0	13,492
<u>(44,227)</u>	<u>17,893</u>	<u>266,883</u>	<u>(31,132)</u>	<u>196,826</u>	<u>(21,795)</u>	<u>521,468</u>
<u>16,482</u>	<u>17,893</u>	<u>266,883</u>	<u>(31,132)</u>	<u>196,826</u>	<u>(21,795)</u>	<u>640,459</u>
<u>\$185,416</u>	<u>\$17,893</u>	<u>\$302,530</u>	<u>\$49,792</u>	<u>\$402,886</u>	<u>\$2,892</u>	<u>\$2,665,730</u>

Trotwood-Madison City School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2010

	Public School	Other Grants	Classroom Facilities Maintenance	Extracurricular Activity	Auxiliary Services
Revenues:					
Taxes	\$0	\$0	\$118,351	\$0	\$0
Intergovernmental	0	0	17,183	0	189,861
Extracurricular Activities	2,299	0	0	123,105	0
Charges for Services	0	0	0	0	0
Other Revenues	28,375	0	0	500	0
Total Revenues	30,674	0	135,534	123,605	189,861
Expenditures:					
Current:					
Instruction:					
Regular	0	0	0	0	0
Special	0	0	0	0	0
Other	0	0	0	0	0
Support Services:					
Pupil	0	1,959	0	0	0
Instructional Staff	0	7,811	0	0	0
School Administration	0	0	0	103,843	0
Fiscal	964	0	5,706	0	0
Business	0	0	0	0	0
Operations and Maintenance	0	0	148,947	0	0
Pupil Transportation	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0	275,903
Extracurricular Activities	27,539	0	0	19,663	0
Total Expenditures	28,503	9,770	154,653	123,506	275,903
Excess of Revenues Over (Under) Expenditures	2,171	(9,770)	(19,119)	99	(86,042)
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	247
Transfers (Out)	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	247
Net Change in Fund Balance	2,171	(9,770)	(19,119)	99	(85,795)
Fund Balance Beginning of Year	15,006	14,738	563,744	14,550	162,903
Fund Balance End of Year	\$17,177	\$4,968	\$544,625	\$14,649	\$77,108

Management Information	Data Communications	School Net Professional Development	Ohio Reads	Miscellaneous State Grants	Title VIB / Preschool	Title I
\$0	\$0	\$0	\$0	\$0	\$0	\$0
5,177	11,432	0	0	0	1,233,592	1,979,935
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
5,177	11,432	0	0	0	1,233,592	1,979,935
0	0	0	0	0	6	129,006
0	0	0	0	0	383,092	777,712
0	0	0	0	0	18,317	180,377
0	0	0	0	0	814,953	192,564
0	0	0	0	0	34,759	622,706
0	0	0	0	0	70,146	461
0	0	0	0	0	0	0
0	0	0	0	1,457	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
11,411	11,432	0	0	0	0	8,616
0	0	0	0	0	83,048	22,348
0	0	0	0	0	0	0
11,411	11,432	0	0	1,457	1,404,321	1,933,790
(6,234)	0	0	0	(1,457)	(170,729)	46,145
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(6,234)	0	0	0	(1,457)	(170,729)	46,145
10,170	0	1	26	5,118	(31,380)	(278,780)
\$3,936	\$0	\$1	\$26	\$3,661	(\$202,109)	(\$232,635)

Continued

Trotwood-Madison City School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2010

	Title V	Drug-Free Schools	EHA Pre-School Grant	Title VI-R	Miscellaneous Federal Grants
Revenues:					
Taxes	\$0	\$0	\$0	\$0	\$0
Intergovernmental	3,512	5,100	30,297	266,062	0
Extracurricular Activities	0	0	0	0	0
Charges for Services	0	0	0	0	0
Other Revenues	0	0	0	0	0
Total Revenues	3,512	5,100	30,297	266,062	0
Expenditures:					
Current:					
Instruction:					
Regular	3,864	0	0	256,307	609
Special	0	0	3,056	0	0
Other	0	2,173	0	0	0
Support Services:					
Pupil	0	164	30,640	0	0
Instructional Staff	0	7,583	722	17,014	0
School Administration	0	0	0	184	0
Fiscal	14	0	0	0	0
Business	0	0	0	0	0
Operations and Maintenance	0	0	0	0	0
Pupil Transportation	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	101	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Total Expenditures	3,979	9,920	34,418	273,505	609
Excess of Revenues Over (Under) Expenditures	(467)	(4,820)	(4,121)	(7,443)	(609)
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Transfers (Out)	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balance	(467)	(4,820)	(4,121)	(7,443)	(609)
Fund Balance Beginning of Year	497	6,983	667	(33,354)	6,562
Fund Balance End of Year	\$30	\$2,163	(\$3,454)	(\$40,797)	\$5,953

Food Service	Uniform School Supply	Poverty Based Aid	Public School Preschool	Fiscal Stabilization	Title II-D	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$118,351
1,618,950	0	119,396	119,079	1,386,608	77,797	7,063,981
0	0	0	0	0	0	125,404
197,948	46,137	0	0	0	0	244,085
0	0	0	0	0	610	29,485
<u>1,816,898</u>	<u>46,137</u>	<u>119,396</u>	<u>119,079</u>	<u>1,386,608</u>	<u>78,407</u>	<u>7,581,306</u>
0	61,513	8,143	0	567,453	66,253	1,093,154
0	0	0	0	427,100	0	1,590,960
0	0	18,706	0	195,229	0	414,802
0	0	0	0	0	0	1,040,280
0	0	0	0	0	33,949	724,544
0	0	0	0	0	0	174,634
0	0	0	0	0	0	6,684
0	0	0	0	0	0	1,457
0	0	0	0	0	0	148,947
0	0	0	767	0	0	767
0	0	0	0	0	0	31,459
1,663,169	0	0	119,102	0	0	2,163,671
0	0	0	0	0	0	47,202
<u>1,663,169</u>	<u>61,513</u>	<u>26,849</u>	<u>119,869</u>	<u>1,189,782</u>	<u>100,202</u>	<u>7,438,561</u>
<u>153,729</u>	<u>(15,376)</u>	<u>92,547</u>	<u>(790)</u>	<u>196,826</u>	<u>(21,795)</u>	<u>142,745</u>
0	0	0	0	0	0	247
0	0	(119,396)	0	0	0	(119,396)
0	0	(119,396)	0	0	0	(119,149)
153,729	(15,376)	(26,849)	(790)	196,826	(21,795)	23,596
(137,247)	33,269	293,732	(30,342)	0	0	616,863
<u>\$16,482</u>	<u>\$17,893</u>	<u>\$266,883</u>	<u>(\$31,132)</u>	<u>\$196,826</u>	<u>(\$21,795)</u>	<u>\$640,459</u>

Trotwood-Madison City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2010

	Public School Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$2,299	\$2,299	\$0
Other Revenues	28,375	28,375	0
Total Revenues	30,674	30,674	0
Expenditures:			
Current:			
Support Services:			
Fiscal	972	964	8
Extracurricular Activities	27,765	27,539	226
Total Expenditures	28,737	28,503	234
Net Change in Fund Balance	1,937	2,171	234
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	15,006	15,006	0
Fund Balance End of Year	\$16,943	\$17,177	\$234

Trotwood-Madison City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2010

	Final Budget	Other Grants Fund Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Support Services:			
Pupil	1,959	1,959	0
Instructional Staff	7,811	7,811	0
Total Expenditures	9,770	9,770	0
Net Change in Fund Balance	(9,770)	(9,770)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	15,159	15,159	0
Fund Balance End of Year	\$5,389	\$5,389	\$0

Trotwood-Madison City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2010

	Classroom Facilities Maintenance Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$109,605	\$109,605	\$0
Intergovernmental	17,183	17,183	0
Total Revenues	<u>126,788</u>	<u>126,788</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	6,365	5,706	659
Operations and Maintenance	178,143	159,697	18,446
Total Expenditures	<u>184,508</u>	<u>165,403</u>	<u>19,105</u>
Net Change in Fund Balance	(57,720)	(38,615)	19,105
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>558,998</u>	<u>558,998</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$501,278</u></u>	<u><u>\$520,383</u></u>	<u><u>\$19,105</u></u>

Trotwood-Madison City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2010

	Extracurricular Activity Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$123,605	\$123,605	\$0
Total Revenues	123,605	123,605	0
Expenditures:			
Current:			
Support Services:			
School Administration	103,498	103,498	0
Extracurricular Activities	19,663	19,663	0
Total Expenditures	123,161	123,161	0
Net Change in Fund Balance	444	444	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	14,550	14,550	0
Fund Balance End of Year	\$14,994	\$14,994	\$0

Trotwood-Madison City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$189,861	\$189,861	\$0
Total Revenues	189,861	189,861	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	359,648	273,560	86,088
Total Expenditures	359,648	273,560	86,088
Excess of Revenues Over (Under) Expenditures	(169,787)	(83,699)	86,088
Other Financing Sources (Uses):			
Transfers In	788	788	0
Transfers (Out)	(711)	(541)	170
Total Other Financing Sources (Uses)	77	247	170
Net Change in Fund Balance	(169,710)	(83,452)	86,258
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	169,710	169,710	0
Fund Balance End of Year	\$0	\$86,258	\$86,258

Trotwood-Madison City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	Management Information Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$5,177	\$5,177	\$0
Total Revenues	5,177	5,177	0
Expenditures:			
Current:			
Support Services:			
Central	14,887	11,411	3,476
Total Expenditures	14,887	11,411	3,476
Excess of Revenues Over (Under) Expenditures	(9,710)	(6,234)	3,476
Other Financing Sources (Uses):			
Advances (Out)	(984)	(754)	230
Transfers In	754	754	0
Transfers (Out)	(984)	(754)	230
Total Other Financing Sources (Uses)	(1,214)	(754)	460
Net Change in Fund Balance	(10,924)	(6,988)	3,936
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	10,924	10,924	0
Fund Balance End of Year	\$0	\$3,936	\$3,936

Trotwood-Madison City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2010

	Data Communications Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$11,432	\$11,432	\$0
Total Revenues	11,432	11,432	0
Expenditures:			
Current:			
Support Services:			
Central	11,432	11,432	0
Total Expenditures	11,432	11,432	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

Trotwood-Madison City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2010

	School Net Professional Development Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1	1	0
Fund Balance End of Year	\$1	\$1	\$0

Trotwood-Madison City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2010

	Ohio Reads Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Support Services:			
Central	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	26	26	0
Fund Balance End of Year	\$26	\$26	\$0

Trotwood-Madison City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2010

	Miscellaneous State Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Support Services:			
Business	1,457	1,457	0
Total Expenditures	1,457	1,457	0
Net Change in Fund Balance	(1,457)	(1,457)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,118	5,118	0
Fund Balance End of Year	\$3,661	\$3,661	\$0

Trotwood-Madison City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	Title VIB / Preschool Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,233,592	\$1,233,592	\$0
Total Revenues	1,233,592	1,233,592	0
Expenditures:			
Current:			
Instruction:			
Regular	6	6	0
Special	297,258	297,073	185
Other	18,328	18,317	11
Support Services:			
Pupil	758,931	758,458	473
Instructional Staff	29,339	29,321	18
School Administration	70,190	70,146	44
Operation of Non-Instructional Services	72,341	72,296	45
Total Expenditures	1,246,393	1,245,617	776
Excess of Revenues Over (Under) Expenditures	(12,801)	(12,025)	776
Other Financing Sources (Uses):			
Advances In	20,583	20,583	0
Total Other Financing Sources (Uses)	20,583	20,583	0
Net Change in Fund Balance	7,782	8,558	776
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	12,842	12,842	0
Fund Balance End of Year	\$20,624	\$21,400	\$776

Trotwood-Madison City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,979,935	\$1,979,935	\$0
Total Revenues	1,979,935	1,979,935	0
Expenditures:			
Current:			
Instruction:			
Regular	118,831	118,527	304
Special	806,128	804,067	2,061
Other	176,291	175,840	451
Support Services:			
Pupil	192,880	192,387	493
Instructional Staff	660,540	658,851	1,689
School Administration	462	461	1
Central	8,638	8,616	22
Operation of Non-Instructional Services	23,471	23,411	60
Total Expenditures	1,987,241	1,982,160	5,081
Excess of Revenues Over (Under) Expenditures	(7,306)	(2,225)	5,081
Other Financing Sources (Uses):			
Advances In	53,391	53,391	0
Advances (Out)	(2,299)	(2,293)	6
Transfers In	3,902	3,902	0
Transfers (Out)	(3,912)	(3,902)	10
Total Other Financing Sources (Uses)	51,082	51,098	16
Net Change in Fund Balance	43,776	48,873	5,097
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	9,651	9,651	0
Fund Balance End of Year	\$53,427	\$58,524	\$5,097

Trotwood-Madison City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	Title V Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$3,512	\$3,512	\$0
Total Revenues	<u>3,512</u>	<u>3,512</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	3,715	3,864	(149)
Support Services:			
Fiscal	13	14	(1)
Operation of Non-Instructional Services	<u>97</u>	<u>101</u>	<u>(4)</u>
Total Expenditures	<u>3,825</u>	<u>3,979</u>	<u>(154)</u>
Excess of Revenues Over (Under) Expenditures	<u>(313)</u>	<u>(467)</u>	<u>(154)</u>
Other Financing Sources (Uses):			
Transfers In	364	364	0
Transfers (Out)	<u>(350)</u>	<u>(364)</u>	<u>(14)</u>
Total Other Financing Sources (Uses)	<u>14</u>	<u>0</u>	<u>(14)</u>
Net Change in Fund Balance	(299)	(467)	(168)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>467</u>	<u>467</u>	<u>0</u>
Fund Balance End of Year	<u>\$168</u>	<u>\$0</u>	<u>(\$168)</u>

Trotwood-Madison City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	Drug-Free Schools Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$5,217	\$5,100	(\$117)
Total Revenues	5,217	5,100	(117)
Expenditures:			
Current:			
Instruction:			
Other	2,171	2,173	(2)
Support Services:			
Pupil	164	164	0
Instructional Staff	7,575	7,583	(8)
Total Expenditures	9,910	9,920	(10)
Excess of Revenues Over (Under) Expenditures	(4,693)	(4,820)	(127)
Other Financing Sources (Uses):			
Transfers In	7,262	7,099	(163)
Transfers (Out)	(7,091)	(7,099)	(8)
Total Other Financing Sources (Uses)	171	0	(171)
Net Change in Fund Balance	(4,522)	(4,820)	(298)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,983	6,983	0
Fund Balance End of Year	\$2,461	\$2,163	(\$298)

Trotwood-Madison City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	EHA Pre-School Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$30,362	\$30,297	(\$65)
Total Revenues	<u>30,362</u>	<u>30,297</u>	<u>(65)</u>
Expenditures:			
Current:			
Instruction:			
Special	3,056	3,056	0
Support Services:			
Pupil	25,661	25,661	0
Fiscal	722	722	0
Total Expenditures	<u>29,439</u>	<u>29,439</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>923</u>	<u>858</u>	<u>(65)</u>
Other Financing Sources (Uses):			
Advances (Out)	(319)	(319)	0
Transfers In	66	66	0
Transfers (Out)	(66)	(66)	0
Total Other Financing Sources (Uses)	<u>(319)</u>	<u>(319)</u>	<u>0</u>
Net Change in Fund Balance	604	539	(65)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>986</u>	<u>986</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,590</u>	<u>\$1,525</u>	<u>(\$65)</u>

Trotwood-Madison City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	Title VI-R Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$266,063	\$266,063	\$0
Total Revenues	<u>266,063</u>	<u>266,063</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	232,483	257,702	(25,219)
Support Services:			
Instructional Staff	15,349	17,014	(1,665)
School Administration	166	184	(18)
Total Expenditures	<u>247,998</u>	<u>274,900</u>	<u>(26,902)</u>
Excess of Revenues Over (Under) Expenditures	<u>18,065</u>	<u>(8,837)</u>	<u>(26,902)</u>
Other Financing Sources (Uses):			
Transfers In	29,913	29,913	0
Transfers (Out)	(26,986)	(29,913)	(2,927)
Total Other Financing Sources (Uses)	<u>2,927</u>	<u>0</u>	<u>(2,927)</u>
Net Change in Fund Balance	20,992	(8,837)	(29,829)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>47,340</u>	<u>47,340</u>	<u>0</u>
Fund Balance End of Year	<u>\$68,332</u>	<u>\$38,503</u>	<u>(\$29,829)</u>

Trotwood-Madison City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2010

	Miscellaneous Federal Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	609	609	0
Total Expenditures	609	609	0
Net Change in Fund Balance	(609)	(609)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,562	6,562	0
Fund Balance End of Year	\$5,953	\$5,953	\$0

Trotwood-Madison City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,586,081	\$1,586,081	\$0
Charges for Services	197,948	197,948	0
Total Revenues	1,784,029	1,784,029	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	1,731,831	1,649,375	82,456
Total Expenditures	1,731,831	1,649,375	82,456
Excess of Revenues Over (Under) Expenditures	52,198	134,654	82,456
Other Financing Sources (Uses):			
Advances (Out)	(224,848)	(214,143)	10,705
Transfers In	80,154	80,154	0
Transfers (Out)	(84,161)	(80,154)	4,007
Total Other Financing Sources (Uses)	(228,855)	(214,143)	14,712
Net Change in Fund Balance	(176,657)	(79,489)	97,168
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	176,657	176,657	0
Fund Balance End of Year	\$0	\$97,168	\$97,168

Trotwood-Madison City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2010

	Uniform School Supply Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$46,137	\$46,137	\$0
Total Revenues	46,137	46,137	0
Expenditures:			
Current:			
Instruction:			
Regular	61,513	61,513	0
Total Expenditures	61,513	61,513	0
Net Change in Fund Balance	(15,376)	(15,376)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	33,269	33,269	0
Fund Balance End of Year	\$17,893	\$17,893	\$0

Trotwood-Madison City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	Poverty Based Aid Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$71,091	\$119,396	\$48,305
Total Revenues	71,091	119,396	48,305
Expenditures:			
Current:			
Instruction:			
Regular	319,239	318,844	395
Other	99,011	98,888	123
Support Services:			
Instructional Staff	40,312	40,262	50
Total Expenditures	458,562	457,994	568
Excess of Revenues Over (Under) Expenditures	(387,471)	(338,598)	48,873
Other Financing Sources (Uses):			
Transfers In	104,628	175,719	71,091
Transfers (Out)	(295,482)	(295,116)	366
Total Other Financing Sources (Uses)	(190,854)	(119,397)	71,457
Net Change in Fund Balance	(578,325)	(457,995)	120,330
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	760,525	760,525	0
Fund Balance End of Year	\$182,200	\$302,530	\$120,330

Trotwood-Madison City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2010

	Public School Preschool Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$150,097	\$119,079	(\$31,018)
Total Revenues	<u>150,097</u>	<u>119,079</u>	<u>(31,018)</u>
Expenditures:			
Current:			
Instruction:			
Special	18,282	18,282	0
Support Services:			
Pupil Transportation	4,568	4,568	0
Operation of Non-Instructional Services	<u>101,221</u>	<u>101,221</u>	<u>0</u>
Total Expenditures	<u>124,071</u>	<u>124,071</u>	<u>0</u>
Net Change in Fund Balance	26,026	(4,992)	(31,018)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>36,875</u>	<u>36,875</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$62,901</u></u>	<u><u>\$31,883</u></u>	<u><u>(\$31,018)</u></u>

Trotwood-Madison City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	Fiscal Stabilization Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,386,608	\$1,386,608	\$0
Total Revenues	1,386,608	1,386,608	0
Expenditures:			
Current:			
Instruction:			
Regular	470,393	470,393	0
Special	343,913	343,913	0
Other	169,416	169,416	0
Total Expenditures	983,722	983,722	0
Net Change in Fund Balance	402,886	402,886	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$402,886	\$402,886	\$0

Trotwood-Madison City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	Title II-D Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$77,797	\$77,797	\$0
Other Revenues	610	610	0
Total Revenues	<u>78,407</u>	<u>78,407</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	66,253	66,253	0
Support Services:			
Instructional Staff	26,110	26,110	0
Total Expenditures	<u>92,363</u>	<u>92,363</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(13,956)</u>	<u>(13,956)</u>	<u>0</u>
Other Financing Sources (Uses):			
Advances In	16,374	16,374	0
Total Other Financing Sources (Uses)	<u>16,374</u>	<u>16,374</u>	<u>0</u>
Net Change in Fund Balance	2,418	2,418	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$2,418</u>	<u>\$2,418</u>	<u>\$0</u>

NONMAJOR CAPITAL PROJECTS FUNDS

Fund Descriptions

Permanent Improvement - To account for all transactions related to acquisition, construction or improvement of the infrastructure of buildings and grounds through permanent improvements.

SchoolNet Plus - To account for funds received for the purchase of computer technology.

Trotwood-Madison City School District, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2010

	Permanent Improvement	SchoolNet Plus	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Investments	\$30	\$0	\$30
Receivables:			
Taxes	700,538	0	700,538
Interfund	0	8,619	8,619
Total Assets	<u>700,568</u>	<u>8,619</u>	<u>709,187</u>
Liabilities and Fund Balances:			
Liabilities:			
Deferred Revenue	598,906	0	598,906
Total Liabilities	<u>598,906</u>	<u>0</u>	<u>598,906</u>
Fund Balances:			
Reserved for Property Tax Advances	101,632	0	101,632
Unreserved, Undesignated, Reported in: Capital Projects Funds	30	8,619	8,649
Total Fund Balances	<u>101,662</u>	<u>8,619</u>	<u>110,281</u>
Total Liabilities and Fund Balances	<u>\$700,568</u>	<u>\$8,619</u>	<u>\$709,187</u>

Trotwood-Madison City School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2010

	Permanent Improvement	SchoolNet Plus	Total Nonmajor Capital Projects Funds
Revenues:			
Taxes	\$628,026	\$0	\$628,026
Intergovernmental	86,260	0	86,260
Total Revenues	714,286	0	714,286
Expenditures:			
Current:			
Support Services:			
Fiscal	8,141	0	8,141
Central	461,235	0	461,235
Debt Service:			
Principal Retirement	205,000	0	205,000
Interest and Fiscal Charges	430,238	0	430,238
Total Expenditures	1,104,614	0	1,104,614
Excess of Revenues Over (Under) Expenditures	(390,328)	0	(390,328)
Other Financing Sources (Uses):			
Transfers In	328,475	0	328,475
Total Other Financing Sources (Uses)	328,475	0	328,475
Net Change in Fund Balance	(61,853)	0	(61,853)
Fund Balance Beginning of Year	163,515	8,619	172,134
Fund Balance End of Year	\$101,662	\$8,619	\$110,281

Trotwood-Madison City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2010

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$550,217	\$550,217	\$0
Intergovernmental	86,260	86,260	0
Total Revenues	636,477	636,477	0
Expenditures:			
Current:			
Instruction:			
Support Services:			
Fiscal	8,141	8,141	0
Central	461,235	461,235	0
Debt Service:			
Principal Retirement	205,000	205,000	0
Interest and Fiscal Charges	430,238	430,238	0
Total Expenditures	1,104,614	1,104,614	0
Excess of Revenues Over (Under) Expenditures	(468,137)	(468,137)	0
Other Financing Sources (Uses):			
Transfers In	328,475	328,475	0
Total Other Financing Sources (Uses)	328,475	328,475	0
Net Change in Fund Balance	(139,662)	(139,662)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	139,692	139,692	0
Fund Balance End of Year	\$30	\$30	\$0

Trotwood-Madison City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2010

	SchoolNet Plus Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

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NONMAJOR FUNDS

Fiduciary funds

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

Student Managed Activity (Agency Fund) – Fund used to account for resources that belong to various student groups in the District. Students are involved in the management of the program.

Trotwood-Madison City School District, Ohio
Statement of Changes In Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2010

	Student Managed Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$15,416	\$22,885	\$25,871	\$12,430
Total Assets	<u>15,416</u>	<u>22,885</u>	<u>25,871</u>	<u>12,430</u>
Liabilities:				
Accounts Payable	0	40	0	40
Other Liabilities	<u>15,416</u>	<u>22,845</u>	<u>25,871</u>	<u>12,390</u>
Total Liabilities	<u>\$15,416</u>	<u>\$22,885</u>	<u>\$25,871</u>	<u>\$12,430</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

CONTENTS

FINANCIAL TRENDS: These schedules contain trend information to help the reader understand how the District's financial position has changed over time.

REVENUE CAPACITY: These schedules contain information to help the reader understand and assess the factors affecting the District's ability to generate its most significant local revenue source(s), the property tax (and the income tax).

DEBT CAPACITY: These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

ECONOMIC AND DEMOGRAPHIC INFORMATION: These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

OPERATING INFORMATION: These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

SOURCES: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that fiscal year.

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Trotwood-Madison City School District, Ohio
 Net Assets by Component,
 Last Eight Fiscal Years (1)
 (accrual basis of accounting)
 Schedule 1

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities								
Invested in Capital Assets, Net of Related Debt	\$6,737,050	\$4,698,472	\$4,513,018	\$9,169,596	\$35,274,560	\$44,655,421	\$46,084,114	\$46,183,631
Restricted	3,213,449	5,254,994	5,673,721	20,923,955	19,550,170	12,073,911	11,746,533	9,866,666
Unrestricted	1,090,984	5,197,491	7,668,199	6,161,391	5,530,058	8,058,773	8,924,834	9,894,404
Total Government Net Assets	<u>\$11,041,483</u>	<u>\$15,150,957</u>	<u>\$17,854,938</u>	<u>\$36,254,942</u>	<u>\$60,354,788</u>	<u>\$64,788,105</u>	<u>\$66,755,481</u>	<u>\$65,944,701</u>

(1) - The district began to report accrual information when it implemented GASB Statement 34 in 2003

Source: District Records

Trotwood-Madison City School District, Ohio
 Expenses, Program Revenues and Net (Expense)/Revenue
 Last Eight Fiscal Years (1)
 (accrual basis of accounting)
 Schedule 2

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
Governmental Activities:								
Instruction	\$19,239,136	\$21,250,122	\$21,254,126	\$23,303,921	\$24,569,828	\$22,573,358	\$21,929,116	\$25,525,700
Pupil	1,407,173	1,474,997	1,792,572	2,054,086	2,040,797	2,149,688	2,181,503	2,202,523
Instructional Staff	1,899,162	1,873,503	2,566,856	3,166,312	2,567,820	2,521,436	1,985,900	2,100,439
General Administration	118,082	47,559	39,136	47,089	54,453	50,283	43,159	50,415
School Administration	2,471,413	2,567,107	2,702,760	2,835,488	2,750,758	2,626,744	2,870,747	2,490,069
Business and Fiscal	876,610	1,108,488	939,295	1,282,457	1,733,529	1,195,904	1,245,113	1,199,030
Operation and Maintenance	2,229,176	2,488,552	2,566,632	3,002,859	3,025,115	3,442,287	3,207,201	3,328,545
Pupil Transportation	1,300,394	1,599,259	1,772,666	1,718,554	1,589,563	1,636,690	1,491,989	1,577,957
Central	762,348	888,264	1,760,909	1,955,050	1,405,039	1,393,523	1,466,763	1,804,892
Operation of Non-Instructional Services	153,418	1,899,807	1,901,656	1,846,835	2,021,177	1,692,701	1,976,438	2,025,736
Extracurricular Activities	495,499	664,663	649,110	640,491	633,568	512,227	532,961	572,475
Interest and Fiscal Charges	1,085,459	1,828,252	2,027,662	2,122,582	2,589,266	2,004,512	2,060,339	2,061,942
Total Government Expenses	32,037,870	37,690,573	39,973,380	43,975,724	44,980,913	41,799,353	40,991,229	44,939,723
Program Revenues								
Governmental Activities:								
Charges for Services								
Instruction	322,933	439,380	497,567	388,807	335,259	418,618	836,903	366,210
Pupil	2,463	649	0	0	2,854	0	0	0
Instructional Staff	350	93	0	0	8,602	0	0	0
School Administration	3,356	15,389	99,644	185,082	265,487	106,902	126,760	103,451
Fiscal	0	0	0	0	0	0	0	78
Operations and Maintenance	11,024	1,601	1,248	23,058	0	0	22,080	15,155
Pupil Transportation	72,454	0	0	0	0	0	0	0
Operation of Non-Instructional Services	0	497,182	0	458,829	397,324	403,329	334,282	197,948
Extracurricular Activities	112,438	138,622	76,025	76,104	107,602	38,134	17,924	21,875
Operating Grants and Contributions	5,574,064	7,237,406	5,120,360	9,308,685	8,844,269	9,282,284	8,869,440	9,442,560
Capital Grants and Contributions	0	26,165	1,750,966	22,314,973	23,812,365	1,954,673	39,582	0
Total Government Revenues	6,099,082	8,356,487	7,545,810	32,755,538	33,773,762	12,203,940	10,246,971	10,147,277
Net (Expense)/Revenue	(\$25,938,788)	(\$29,334,086)	(\$32,427,570)	(\$11,220,186)	(\$11,207,151)	(\$29,595,413)	(\$30,744,258)	(\$34,792,446)

(1) - The district began to report accrual information when it implemented GASB Statement 34 in 2003

Source: District Records

Trotwood-Madison City School District, Ohio
 General Revenues and Total Change in Net Assets,
 Last Eight Fiscal Years (1)
 (accrual basis of accounting)
 Schedule 3

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Net (Expense)/Revenue	(\$25,938,788)	(\$29,334,086)	(\$32,427,570)	(\$11,220,186)	(\$11,207,151)	(\$29,595,413)	(\$30,744,258)	(\$34,792,446)
General Revenues and Other Changes in Net Assets								
Governmental Activities:								
Property Taxes								
Property Taxes Levied for General Purposes	10,733,352	10,404,898	9,352,390	9,472,597	9,816,223	9,440,052	8,779,118	9,061,543
Property Taxes Levied for Special Revenue Purposes	0	0	0	232,700	126,558	122,421	113,835	125,002
Property Taxes Levied for Debt Service Purposes	1,546,904	2,321,932	2,089,660	2,156,926	2,241,294	2,140,012	1,989,514	2,034,414
Property Taxes Levied for Capital Projects Purposes	757,194	723,340	652,540	639,349	643,872	614,554	571,444	661,417
Grants and Entitlements Not Restricted to Specific Programs	16,418,135	18,862,095	19,932,305	19,005,150	20,559,179	20,930,858	20,313,225	21,343,328
Revenue in Lieu of Taxes	0	0	0	0	21,000	50,068	50,704	55,770
Investment Earnings	866,183	655,825	2,067,063	443,894	1,434,501	850,510	260,220	51,592
Unrestricted Contributions	0	0	0	985	20,707	0	0	0
Other Revenues	566,453	727,282	1,037,593	1,15,406	443,663	353,159	633,574	648,600
Total Governmental Activities	30,888,221	33,695,372	35,131,551	32,067,007	35,306,997	34,501,634	32,711,634	33,981,666
Change in Net Assets	\$4,949,433	\$4,361,286	\$2,703,981	\$20,846,821	\$24,099,846	\$4,906,221	\$1,967,376	(\$810,780)

(1) - The district began to report accrual information when it implemented GASB Statement 34 in 2003

Source: District Records

Trotwood-Madison City School District, Ohio
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Schedule 4

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$1,735,096	\$1,354,748	\$1,010,303	\$713,517	\$1,196,084	\$1,107,565	\$825,822	\$1,156,963	\$623,364	\$625,396
Unreserved	1,224,877	1,332,783	2,526,726	4,479,415	5,455,335	4,411,577	4,428,343	5,742,007	7,108,640	8,184,551
Total General Fund	2,959,973	2,687,531	3,537,029	5,192,932	6,651,419	5,519,142	5,254,165	6,898,970	7,732,004	8,809,947
All Other Governmental Funds										
Reserved	246,739	0	400,193	334,670	2,190,254	10,257,922	8,373,535	1,653,678	1,347,438	4,129,933
Unreserved, Reported in:										
Capital Project Funds	661,730	19,252	33,294,871	31,805,045	12,265,489	14,305,618	8,366,343	6,965,330	6,579,045	1,038,865
Debt Service Funds	0	0	401,810	568,931	681,420	849,564	1,068,768	1,470,348	2,096,837	2,426,392
Special Revenue Funds	506,988	(45,440)	(1,332,398)	(476,493)	(532,326)	499,822	772,789	669,968	298,725	521,468
Total all Other Governmental Funds	\$1,415,457	(\$26,188)	\$32,764,476	\$32,232,153	\$14,584,837	\$25,912,926	\$18,581,435	\$10,759,324	\$10,322,045	\$8,116,658

Source: District Records

Trotwood-Madison City School District, Ohio
 Governmental Funds Revenues,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 5

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues:										
Taxes	\$9,696,692	\$9,525,767	\$10,983,365	\$12,272,287	\$13,112,188	\$13,002,537	\$13,135,821	\$12,289,706	\$10,790,388	\$11,250,188
Revenue in Lieu of Taxes	0	0	0	0	0	0	0	0	50,704	55,770
Tuition and Fees	656,545	642,918	349,333	438,388	545,451	269,525	317,954	400,703	836,903	320,073
Investment Earnings	410,011	174,936	866,182	655,825	641,432	924,112	1,434,501	850,510	260,220	51,591
Intergovernmental	18,732,650	20,088,331	20,741,782	26,301,097	28,972,539	50,726,377	52,963,037	32,546,585	29,296,663	30,631,937
Extracurricular Activities	144,258	130,290	122,263	128,222	133,818	212,400	390,997	166,285	147,943	125,404
Charges for Services	0	0	0	524,705	0	458,829	397,324	382,401	331,023	244,085
Other Revenues	491,351	219,017	577,477	704,654	891,503	231,264	476,371	370,752	604,949	663,754
Total Revenues	\$30,131,507	\$30,781,259	\$33,640,402	\$41,025,178	\$44,296,931	\$65,825,044	\$69,116,005	\$47,006,942	\$42,318,793	\$43,342,802

Source: District Records

Trotwood-Madison City School District, Ohio
 Governmental Funds Expenditures and Debt Service Ratio,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 6

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Regular Instruction	\$11,067,246	\$11,408,565	\$11,143,502	\$11,669,388	\$12,498,772	\$16,916,648	\$16,975,408	\$16,401,807	\$16,037,204	\$16,745,607
Special Instruction	5,069,101	5,904,393	6,845,033	8,676,652	8,535,025	4,500,000	4,935,557	3,980,648	4,585,705	4,670,027
Vocational Instruction	183,376	114,182	73,277	68,498	8,128	0	0	0	0	0
Other Instruction	8,075	126,266	46,784	97,987	62,674	520,563	705,963	1,366,552	465,724	824,641
Pupil	1,162,475	1,396,115	1,513,542	1,434,751	1,762,939	2,066,939	1,987,776	2,280,378	2,267,017	2,202,682
Instructional Staff	1,947,678	2,189,437	2,053,022	1,821,391	2,570,799	3,096,595	2,662,647	2,514,420	1,970,368	2,094,894
General Administration	91,779	60,718	115,555	45,032	36,609	45,787	54,335	50,283	43,159	50,415
School Administration	1,880,467	2,722,191	2,533,275	2,471,079	2,688,950	2,682,576	2,633,351	2,573,388	2,596,684	2,358,583
Fiscal	387,455	521,839	684,529	864,654	703,508	1,044,601	1,479,668	939,716	801,436	623,377
Business	7,018	240,260	223,745	224,818	231,696	241,799	261,524	256,283	436,387	578,275
Operations and Maintenance	1,337,284	2,308,202	2,250,885	2,394,250	2,595,880	2,929,502	3,022,276	3,506,620	3,260,090	3,376,876
Pupil Transportation	1,213,203	1,505,163	1,320,799	1,532,190	1,700,623	1,718,858	1,579,059	1,794,266	1,498,248	1,491,018
Central	1,154,007	876,302	1,042,194	1,198,833	1,582,291	1,778,091	1,244,990	1,353,478	1,452,270	1,736,597
Operation of Non-Instructional Service	58,150	28,742	154,267	1,797,240	1,894,853	1,812,050	1,988,417	1,981,824	1,942,921	2,174,086
Extracurricular Activities	437,767	416,011	713,357	618,822	607,482	627,603	609,521	508,059	523,823	501,411
Capital Outlay	1,257,758	503,666	2,570,080	12,225,982	19,818,735	12,718,076	32,549,109	10,182,158	1,638,343	2,573,793
Debt Service:										
Principal Retirement	1,009,382	1,008,459	371,500	950,950	989,500	949,500	500,875	815,000	665,000	740,000
Interest and Fiscal Charges	132,010	179,259	941,827	1,832,630	1,953,797	2,032,252	2,481,773	1,729,368	1,754,000	1,724,964
Bond Issuance Costs	0	0	0	0	0	0	0	296,586	0	0
Total Expenditures	\$28,404,231	\$31,509,770	\$34,597,173	\$49,925,147	\$60,242,261	\$55,681,440	\$75,672,249	\$52,530,834	\$41,938,379	\$44,467,246

Debt Service as a Percentage of
 Noncapital Expenditures 4.42% 4.14% 4.14% 7.49% 7.28% 6.95% 6.92% 7.48% 6.48% 5.95%

Source: District Records

N/A - Information not available

Trotwood-Madison City School District, Ohio
 Other Financing Sources and Uses and Net Change in Fund Balances,
 Governmental Funds,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 7

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Other Financing Sources (Uses):										
Issuance of Long Term Debt	\$0	\$0	\$35,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Issuance of Notes	900,805	0	0	0	0	0	0	0	0	0
Issuance of Capital Leases	0	371,450	0	0	0	0	0	0	0	0
Issuance of Refunding Certificate of Participation	0	0	0	0	0	0	0	10,000,000	0	0
Payments to Refunding Bond Escrow Agent	0	0	0	0	0	0	0	(9,796,000)	0	0
Premium on Refunding Bonds	0	0	0	0	0	0	0	92,586	0	0
Proceeds from the Sale of Capital Assets	656	883	0	594	549	52,207	0	0	15,341	0
Transfers In	0	315,650	35,185,398	215,000	320,277	205,809	561,051	227,513	332,573	448,118
Transfers (Out)	0	(635,650)	(35,734,286)	(215,000)	(320,277)	(205,809)	(1,601,275)	(1,177,513)	(332,573)	(448,118)
Total Other Financing Sources (Uses)	901,461	52,333	34,451,112	594	549	52,207	(1,040,224)	(653,414)	15,341	0
Net Change in Fund Balances	\$2,628,737	(\$676,178)	\$33,494,341	(\$8,899,375)	(\$15,944,781)	\$10,195,811	(\$7,596,468)	(\$6,177,306)	\$395,755	(\$1,124,444)

Source: District Records

N/A - Information not available

Trotwood-Madison City School District, Ohio
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Collection (Calendar) Years (1)
 Schedule 8

Collection Year	Real Property	Tangible Personal Property	Public Utilities Personal	Total	Total	Total
	Assessed Value (1)	Assessed Value (1)	Assessed Value (1)	Assessed Value (1)	Estimated Actual Value	Direct Rate
2000	220,632,420	26,275,809	14,815,900	261,724,129	752,367,829	52.64
2001	220,430,720	24,947,808	13,390,910	258,769,438	744,810,232	52.91
2002	220,961,430	22,837,365	10,706,700	254,505,495	750,138,604	61.05
2003	252,118,370	20,069,465	10,870,750	283,058,585	828,534,150	60.85
2004	251,199,900	20,422,178	10,644,960	282,267,038	826,740,905	60.70
2005	251,503,910	19,182,894	10,647,830	281,334,634	822,659,739	60.06
2006	284,288,750	13,013,167	10,205,470	307,507,387	883,620,249	60.06
2007	282,842,600	7,900,867	7,921,430	298,664,897	891,672,323	60.06
2008	282,219,360	1,453,030	7,953,810	291,626,200	817,280,027	60.06
2009	274,457,540	226,430	7,852,180	282,536,150	808,858,826	60.06

Source: Montgomery County Auditor

(1) - Assessed values shown in this schedule will not agree to amounts in the notes to the financial statements, since the schedules are shown on a calendar year basis, which is consistent with the method county auditors maintain this information

Note: The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for everything except inventories, which are assessed at 23 percent. Property is assessed annually.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue to be received in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed.

N/A - Information not available

Trotwood-Madison City School District, Ohio
 Direct and Overlapping Property Tax Rates
 Last Ten Calendar Years
 Schedule 9

Calendar Year	District Direct Rates				Overlapping Rates					
	General Purpose	Debt	Capital Purpose	Classroom Facilities	Total	Montgomery County	City of Trotwood	City of Dayton	Library	MVCTC
2000	49.49	0.00	3.15	0.00	52.64	17.24	11.64	10.00	0.26	2.58
2001	49.76	0.00	3.15	0.00	52.91	17.24	17.39	10.00	0.26	2.58
2002	49.29	8.61	3.15	0.00	61.05	17.24	17.39	10.00	0.26	2.58
2003	49.09	8.61	3.15	0.00	60.85	18.24	17.39	10.00	0.26	2.58
2004	48.94	8.61	3.15	0.00	60.70	18.24	17.39	10.00	1.25	2.58
2005	48.94	8.11	2.51	0.50	60.06	18.24	17.39	10.00	1.25	2.58
2006	48.94	8.11	2.51	0.50	60.06	18.24	17.39	10.00	1.25	2.58
2007	48.94	8.11	2.51	0.50	60.06	20.24	17.39	10.00	1.25	2.58
2008	48.94	8.11	2.51	0.50	60.06	20.94	16.65	10.00	1.25	2.58
2009	48.94	8.11	2.51	0.50	60.06	20.94	19.65	10.00	1.75	2.58

Source: Montgomery County Auditor

N/A - Information not available

Trotwood-Madison City School District, Ohio
Principal Property Tax Payers
Current Year and Four Years Ago (1)
Schedule 10

Taxpayer	2009 (2)	
	Tangible Personal & Real Property	Percentage of Total Assessed Value
Dayton Power and Light Company	\$16,448,550	5.82%
Dayton Healthcare	5,001,620	1.77%
Salem Square Improvement	4,337,890	1.54%
Corvus Trotwood LLC	4,136,500	1.46%
Apartments at Castlebroo	2,842,400	1.01%
Lowe's Home Center Inc.	1,957,620	0.69%
Bewlle Meadows Associates	1,904,200	0.67%
Fieldstone Limited	1,669,290	0.59%
Dayton Hudson Corp	1,555,150	0.55%
Graoch Associates	1,408,470	0.50%
Total Principal Taxpayers	41,261,690	14.60%
All Other Taxpayers	241,274,460	85.40%
Total All Taxpayers	\$282,536,150	100.00%

Taxpayer	2005 (2)	
	Tangible Personal & Real Property	Percentage of Total Assessed Value
Dayton Power and Light Company	\$16,438,750	5.35%
Ohio Bell Telephone Co.	8,567,360	2.79%
Cross Pointe Associates, Inc.	8,052,120	2.62%
Miller Farm Apartments	7,790,470	2.53%
Voss Chevrolet, Inc.	6,636,970	2.16%
Washington Place Limited	6,506,070	2.12%
Streetplacechase Advisors	5,220,870	1.69%
CVS Partnerships	4,593,100	1.49%
Bob Ross Buick, Inc.	4,406,480	1.43%
Chesapeake Landing	3,953,350	1.29%
Total Principal Taxpayers	72,165,540	23.47%
All Other Taxpayers	219,460,660	76.53%
Total All Taxpayers	\$291,626,200	100.00%

Source: Montgomery County Auditor

(1) - Current and four years ago information only available

(2) - Denotes calendar year

Trotwood-Madison City School District, Ohio
Property Tax Levies and Collections
Last Ten Calendar Years
Schedule 11

Calendar Year	Taxes Levied for the Calendar Year (1)	Collected within the Calendar Year of the Levy		Delq. Collections in Subsequent Years	Total Collections to Date	
		Amount (2)	Percentage of Levy		Amount	Percentage of Levy
2000	\$10,971,209	\$10,107,630	92.13%	\$443,833	\$10,551,463	96.17%
2001	10,939,132	9,775,364	89.36%	452,314	10,227,677	93.50%
2002	14,314,900	12,995,093	90.78%	922,714	13,917,807	97.23%
2003	14,024,868	12,898,028	91.97%	1,056,220	13,954,248	99.50%
2004	14,046,517	12,879,481	91.69%	1,129,154	14,008,635	99.73%
2005	14,324,332	12,706,185	88.70%	1,618,147	14,324,332	100.00%
2006	14,364,018	12,707,523	88.47%	1,165,007	13,872,530	96.58%
2007	14,434,277	12,707,523	88.04%	1,165,007	13,872,530	96.11%
2008	13,890,562	12,104,724	87.14%	1,008,878	13,113,602	94.41%
2009	13,429,251	11,435,010	85.15%	1,111,064	12,546,074	93.42%

Source: Montgomery County Auditor

(1) - Taxes levied and collected are presented on a cash basis

(2) - State reimbursements of rollback and homestead exemptions are included

N/A - Information not available

Trotwood-Madison City School District, Ohio
 Outstanding Debt by Type,
 Last Ten Fiscal Years
 Schedule 12

Fiscal Year	Governmental Activities			Total Primary Government	Ratio of General Bonded Debt to Estimated Actual Value (1)	Percentage of Personal Income (2)	Per Capita
	General Obligation Bonds and Notes	Capital Leases	Tax Anticipation Notes				
2001	\$2,514,816	\$227,475	\$0	\$2,742,291	0.36%	0.02%	\$95
2002	969,875	0	770,000	1,739,875	0.23%	0.01%	58
2003	35,728,375	111,450	590,000	36,429,825	4.86%	0.22%	1,198
2004	35,017,827	10,129,000	400,000	45,546,827	5.50%	0.27%	1,480
2005	34,191,565	10,046,000	205,000	44,442,565	5.38%	0.25%	1,399
2006	33,439,429	9,943,000	0	43,382,429	5.27%	0.25%	1,350
2007	33,196,531	9,796,000	0	42,992,531	4.87%	0.24%	1,277
2008	33,754,042	9,919,279	0	43,673,321	4.90%	0.23%	1,257
2009	33,539,143	9,720,972	0	43,260,115	5.29%	0.22%	1,201
2010	33,316,488	9,512,665	0	42,829,153	5.30%	N/A	N/A

Source: District Records

N/A - Information not available

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2009 is calendar year 2008)

(2) - On the calendar year basis

Trotwood-Madison City School District, Ohio
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2010
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Overlapping Debt:			
Montgomery County	\$10,993,171	2.83%	\$311,107
City of Clayton	2,589,999	2.63%	68,117
City of Dayton	38,420,000	0.38%	145,996
City of Trotwood	12,950,000	81.35%	10,534,825
Miami Valley Career Joint Vocational School District	6,675,000	4.19%	279,683
Miami Valley Regional Transit Authority Misc	<u>2,625,000</u>	2.83%	<u>74,288</u>
Subtotal, Overlapping Debt	<u>74,253,170</u>		<u>11,414,015</u>
District Direct Debt	<u>31,159,987</u>	100.00%	<u>31,159,987</u>
Total Direct and Overlapping Debt	<u><u>\$105,413,157</u></u>		<u><u>\$42,574,002</u></u>

Source: Ohio Municipal Advisory Council

(1) - Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government.

Trotwood-Madison City School District, Ohio
 Legal Debt Margin Information,
 Last Ten Fiscal Years
 Schedule 14

		Legal Debt Margin Calculation for Fiscal Year 2010									
		Fiscal Year									
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit		\$23,555,172	\$23,289,249	\$22,905,495	\$25,475,273	\$25,404,033	\$25,320,117	\$27,675,665	\$26,879,841	\$26,246,358	\$25,428,254
Total Net Debt Applicable to Limit		987,500	35,641,000	35,000,000	34,813,000	34,006,500	33,160,000	32,809,987	32,164,987	31,694,987	31,159,987
Legal Debt Margin		\$20,365,135	\$22,567,672	(\$12,351,751)	(\$12,094,505)	(\$9,337,727)	(\$8,602,467)	(\$7,839,883)	(\$5,285,146)	(\$5,448,629)	(\$5,731,734)
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit		4.19%	153.04%	152.80%	136.65%	133.86%	130.96%	118.55%	119.66%	120.76%	122.54%

Assessed value (1) \$282,536,150
 Debt limit (9% of assessed value) 25,428,254
 Debt applicable to limit 31,159,987
 Legal debt margin (\$5,731,734)

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2009 is calendar year 2008)

N/A - Information not available

Trotwood-Madison City School District, Ohio
 Demographic and Economic Statistics
 Last Ten Calendar Years
 Schedule 15

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2000	27,420	\$16,167,661	\$28,949	4.0%
2001	27,420	16,563,468	29,827	4.0%
2002	27,420	16,810,295	30,404	4.3%
2003	27,070	16,984,405	30,784	4.3%
2004	27,070	17,461,179	31,773	4.3%
2005	27,070	17,531,793	32,133	6.1%
2006	27,070	18,219,910	33,658	6.0%
2007	27,070	18,677,485	34,732	6.2%
2008	27,070	19,266,895	36,020	7.4%
2009	27,070	N/A	N/A	11.4%

- Sources:
- (1) - Population estimates provided by U.S. Census Bureau
 - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Montgomery County
 - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Montgomery County
 - (4) - Ohio Department of Job and Family Services - Office of Workforce Development - Bureau of Labor Market Information -- Annual Average

N/A - Information not available

Trotwood-Madison City School District, Ohio
 Major Employers (1)
 Current Fiscal Year and Fiscal Period Two Years Ago (2)
 Schedule 16

2010

Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
Behr Dayton Thermal Products, LLC	Mfg	(4)	(5)
Dayton City Schools	Govt	(4)	(5)
DPL, Inc./Dayton Power & Light Co.	Util	(4)	(5)
Dmax Ltd	Mfg	(4)	(5)
Kettering Medical Center	Serv	(4)	(5)
PNC Financial Services Corp	Fin	(4)	(5)
Premier Health Partners, Inc.	Serv	(4)	(5)
Reed Elsevier LexisNexis	Serv	(4)	(5)
Reynolds & Reynolds Co., Inc.	Mfg	(4)	(5)
University of Dayton	Serv	(4)	(5)
U.S. Federal Government	Govt	(4)	(5)

2008

Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Population
Behr Dayton Thermal Products, LLC	Mfg	(4)	(5)
Dayton City Board of Education	Govt	(4)	(5)
DPL, Inc./Dayton Power & Light Co.	Util	(4)	(5)
General Motors Corp.	Mfg	(4)	(5)
Kettering Medical Center	Health	(4)	(5)
NCR Corp.	Mfg	(4)	(5)
Premier Health Partners, Inc.	Health	(4)	(5)
Reed Elsevier LexisNexis	Pub	(4)	(5)
Reynolds & Reynolds Co., Inc.	Mfg	(4)	(5)
University of Dayton	Edu	(4)	(5)
U.S. Federal Government	Govt	(4)	(5)

Source: Ohio Department of Development

(1) - For all of Montgomery County

(2) - Only current fiscal year and fiscal period one year ago information available. Information for fiscal period nine years ago not available.

(3) - Includes at minimum the ten largest employers for the county. In alphabetical order only.

(4) - The number of employees of each listed major employer was not available.

(5) - The employer's percentage of total employment for each major employer was not available.

Trotwood-Madison City School District, Ohio
 Full-Time Equivalent District Employees by Type
 Last Ten Fiscal Years
 Schedule 17

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Official/Administrative										
Admin. Assistant	0.00	1.00	0.00	1.00	1.00	2.00	3.00	3.00	3.00	4.00
Assist. Deputy/Assoc. Superintendent	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assist. Principal	4.00	3.00	5.00	5.00	3.00	3.00	3.00	4.00	5.00	4.80
Principals	7.00	9.00	12.00	7.00	8.00	7.00	6.00	5.00	5.00	3.97
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Supervising/Managing/Directing	6.00	8.00	9.00	5.00	4.00	3.35	4.00	4.00	3.00	5.23
Treasurer	1.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Coordinator	7.00	7.00	6.00	7.00	5.00	6.85	7.00	6.00	4.00	3.80
Director	0.00	0.00	0.00	4.00	3.00	3.00	2.00	3.00	3.00	3.00
Other Official/Administrative	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	0.00
Total Official/Administrative	26.00	33.00	37.00	33.00	28.00	29.20	29.00	29.00	28.00	27.80
Professional - Educational										
Curriculum Specialist	6.00	4.00	4.00	6.00	9.00	8.00	5.00	2.00	1.00	1.00
Counseling	5.00	7.00	5.00	3.00	5.00	5.00	5.00	6.00	6.00	5.00
Librarian/Media	2.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	1.86
Remedial Specialist	0.00	0.00	0.00	5.48	3.48	0.34	0.34	0.46	0.28	0.28
Regular Teaching	213.58	204.48	198.47	157.00	148.00	126.18	137.00	132.00	147.00	145.34
Special Education Teaching	25.00	33.00	28.00	7.00	6.00	12.63	10.28	9.60	10.10	12.02
Vocational Education Teaching	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Tutor/Small Group Instructor	10.96	11.96	10.20	5.00	5.00	2.36	2.00	0.63	1.37	0.55
Educ. Service Personnel Teacher	9.00	10.00	14.00	8.00	16.00	15.10	16.20	12.06	0.00	0.00
Suppl. Service Teacher (Spec. Ed.)	0.00	0.00	0.00	26.00	25.00	25.85	27.77	26.00	17.00	15.75
Permanent Substitute	0.00	0.00	0.00	2.00	2.00	1.00	0.00	0.00	0.00	0.00
Other Professional	0.00	0.00	0.00	5.00	21.00	24.00	18.00	17.00	21.55	23.38
Total Professional - Education	273.54	273.44	262.67	226.48	242.48	222.46	223.59	207.75	207.30	206.18
Professional - Other										
Accounting	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Audiologist	0.00	0.00	0.00	0.00	0.00	0.27	0.06	0.00	0.00	0.00
Auditing	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personnel	0.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Psychologist	4.00	4.00	5.00	5.00	5.00	5.00	7.00	8.00	4.00	4.00
Publicity Relations	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Social Work	0.00	0.00	0.00	0.00	0.00	0.00	1.00	3.00	3.00	2.00
Physical Therapist	0.00	0.00	0.00	0.00	0.00	0.35	0.00	0.00	0.65	0.65
Speech and Language Therapist	4.42	3.42	3.42	6.00	4.00	4.33	4.00	4.00	4.00	4.40
Occupational Therapist	0.00	0.00	0.00	0.00	0.00	1.13	0.00	0.00	1.23	1.23
Mobility Therapist	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00
Educational Interpreter	1.00	1.00	1.00	2.00	2.00	1.00	1.00	1.00	1.00	0.00
Physical Therapy Assistant	0.00	0.00	0.00	0.00	0.00	0.12	0.00	0.00	0.00	0.00
Adapted Physical Education Therapist	0.00	0.00	0.00	0.00	0.00	0.18	0.00	0.00	0.00	0.00
Total Professional - Other	11.42	10.42	12.42	13.00	11.00	12.43	13.06	16.00	13.88	12.28
Technical										
Computer Operating	0.00	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Practical Nursing	0.00	0.00	0.00	0.00	1.00	1.00	0.00	4.00	0.00	0.00
Library Aide	5.00	6.00	5.00	5.00	5.00	5.00	4.00	4.00	2.00	2.00
Instructional Paraprofessional	0.00	0.00	0.00	0.00	0.00	0.00	28.00	33.00	33.00	35.00
Other Technical	0.00	0.00	0.00	0.00	11.00	11.00	0.00	0.00	3.00	4.00
Total Technical	5.00	8.00	7.00	5.00	17.00	17.00	32.00	41.00	38.00	41.00

Source: State Department of Education

Trotwood-Madison City School District, Ohio
 Full-Time Equivalent District Employees by Type
 Last Ten Fiscal Years
 Schedule 17 (Continued)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Office/Clerical										
Bookkeeping	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	2.00	0.00
Clerical	27.00	32.00	33.00	30.00	31.00	30.00	29.00	27.00	21.00	20.00
Messenger	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Teaching Aide	38.00	51.00	56.00	52.00	37.00	34.00	37.52	4.00	6.00	3.00
Telephone Operator	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Office/Clerical	1.00	1.00	0.00	2.00	0.00	0.00	0.00	0.00	0.00	1.00
Total Office/Clerical	<u>69.00</u>	<u>88.00</u>	<u>92.00</u>	<u>85.00</u>	<u>69.00</u>	<u>65.00</u>	<u>67.52</u>	<u>32.00</u>	<u>30.00</u>	<u>25.00</u>
Crafts and Trades										
General Maintenance	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Mechanic	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Total Crafts and Trades	<u>5.00</u>	<u>4.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>6.00</u>	<u>6.00</u>
Operative										
Vehicle Operator (buses)	33.42	36.67	30.42	24.42	29.75	28.75	25.75	19.75	23.75	22.00
Total Operative	<u>33.42</u>	<u>36.67</u>	<u>30.42</u>	<u>24.42</u>	<u>29.75</u>	<u>28.75</u>	<u>25.75</u>	<u>19.75</u>	<u>23.75</u>	<u>22.00</u>
Extracurricular/Intracurricular Activities										
Advisor	0.00	0.00	2.00	2.00	1.00	0.00	0.00	0.00	0.00	0.00
Coaching	0.00	0.00	22.00	22.00	12.00	0.00	0.00	0.00	0.00	0.00
Athletic Trainer	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Extra/Intra - Curricular Activities	0.00	0.00	7.50	4.50	3.50	0.00	0.00	0.00	0.00	0.00
Total Extracurricular/Intracurricular A	<u>0.00</u>	<u>1.00</u>	<u>31.50</u>	<u>28.50</u>	<u>16.50</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Service Work/Laborer										
Attendance Officer	2.00	2.00	2.00	1.00	3.00	2.00	2.00	2.00	2.00	2.00
Custodian	27.00	29.00	27.00	27.00	25.00	26.00	25.00	26.00	23.00	23.00
Food Service	23.80	22.00	28.80	29.80	24.80	24.80	22.80	20.80	20.05	22.70
Monitoring	7.00	4.00	6.00	4.00	3.00	7.00	5.00	6.00	7.00	7.00
Groundskeeping	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	1.00
Total Service Work/Laborer	<u>60.80</u>	<u>58.00</u>	<u>64.80</u>	<u>62.80</u>	<u>56.80</u>	<u>60.80</u>	<u>56.80</u>	<u>56.80</u>	<u>54.05</u>	<u>55.70</u>
Total Employees	<u>484.18</u>	<u>512.53</u>	<u>542.81</u>	<u>483.20</u>	<u>475.53</u>	<u>440.64</u>	<u>452.72</u>	<u>407.30</u>	<u>400.98</u>	<u>395.96</u>

Source: State Department of Education

Trotwood-Madison City School District, Ohio
 Operating Statistics
 Last Ten Fiscal Years
 Schedule 18

Fiscal Year	Enrollment	Operating Expenditure	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2001	3,846	\$26,005,081	\$8,130	20.05%	N/A	N/A	N/A	249	16.6	38.30%
2002	3,854	29,818,386	7,958	-2.12%	N/A	N/A	N/A	247	15.6	40.10%
2003	3,676	30,713,766	7,781	-2.22%	\$32,037,870	N/A	N/A	239	15.4	28.30%
2004	3,466	34,915,585	8,465	8.79%	37,690,573	\$10,874	N/A	198	17.5	59.40%
2005	3,268	37,480,229	9,221	8.93%	39,973,380	12,232	12.48%	195	16.8	65.70%
2006	3,307	39,981,612	10,136	9.92%	43,975,724	13,298	8.72%	180	18.4	60.50%
2007	3,021	40,140,492	10,077	-0.58%	44,980,913	14,889	11.97%	180	16.8	81.51%
2008	3,061	40,322,722	11,411	13.24%	41,799,353	13,655	-8.29%	191	16.0	50.20%
2009	2,939	38,546,036	13,115	14.94%	40,991,229	13,947	2.14%	196	15.0	43.80%
2010	2,870	40,168,489	13,996	6.71%	44,939,723	15,658	12.27%	206	13.9	80.10%

Source: District Records

N/A - Information not available

Trotwood-Madison City School District, Ohio
 School Building Information
 Last Ten Fiscal Years
 Schedule 19

School	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Broadmoor Elementary										
Square Feet	35,282	35,282	35,282	35,282	35,282	35,282	35,282	N/A	N/A	N/A
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	327	320	300	344	304	422	389	N/A	N/A	N/A
Madison Park Elementary										
Square Feet	40,116	40,116	40,116	40,116	40,116	N/A	N/A	54,065	54,065	54,065
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	379	426	387	399	383	N/A	N/A	403	410	343
Olivehill Elementary										
Square Feet	32,975	32,975	32,975	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	269	255	228	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Shilohview Elementary										
Square Feet	41,530	41,530	41,530	41,530	41,530	41,530	41,530	N/A	N/A	N/A
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	440	422	388	365	343	353	318	N/A	N/A	N/A
Townview Elementary										
Square Feet	47,514	47,514	47,514	47,514	47,514	47,514	47,514	N/A	N/A	N/A
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	352	317	286	295	296	352	320	N/A	N/A	N/A
Westbrooke Village Elementary										
Square Feet	34,740	34,740	34,740	34,740	34,740	34,740	34,740	54,065	54,065	54,065
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	409	381	317	308	280	397	343	428	397	481
Early Learning Center										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	66,456	66,456	66,456
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	426	427	427
Trotwood-Madison Middle School										
Square Feet	84,065	84,065	84,065	84,065	84,065	84,065	84,065	84,065	88,266	88,266
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	628	676	635	590	546	620	538	675	662	626
Trotwood-Madison High School										
Square Feet	200,086	200,086	200,086	200,086	200,086	235,823	235,823	235,823	235,823	235,823
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	1,042	1,026	1,099	1,135	1,087	1,163	1,103	1,078	1,043	993

Source: District Records

N/A - Information not available

TROTWOOD-MADISON CITY SCHOOL DISTRICT

Single Audit Report

June 30, 2010

TROTWOOD-MADISON CITY SCHOOL DISTRICT
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
Passed Through Ohio Department of Education:						
Nutrition Cluster:						
School Breakfast Program	3L70	10.553	\$445,839	\$0	\$445,839	\$0
National School Lunch Program	3L60	10.555	977,476	32,869	977,476	32,869
Summer Food Service Program for Children	3L60	10.559	207,998	0	207,998	0
Total Nutrition Cluster			<u>1,631,313</u>	<u>32,869</u>	<u>1,631,313</u>	<u>32,869</u>
Total U.S. Department of Agriculture			<u>1,631,313</u>	<u>32,869</u>	<u>1,631,313</u>	<u>32,869</u>
U.S. DEPARTMENT OF EDUCATION						
Passed Through Ohio Department of Education:						
Special Education Cluster:						
Special Education-Grants to States	3M20	84.027	728,577	0	729,557	0
Special Education-Grants to States - ARRA	3DJ0	84.391	505,014	0	516,055	0
Special Education-Preschool Grants	3C50	84.173	8,301	0	8,587	0
Special Education-Preschool Grants - ARRA	3DL0	84.392	21,995	0	21,170	0
Total Special Education Cluster			<u>1,263,887</u>	<u>0</u>	<u>1,275,369</u>	<u>0</u>
Title I Cluster:						
Title I Grants to Local Educational Agencies	3M00	84.010	1,560,122	0	1,566,002	0
Title I Grants to Local Educational Agencies - ARRA	3DK0	84.389	419,813	0	354,253	0
Total Title I Cluster			<u>1,979,935</u>	<u>0</u>	<u>1,920,255</u>	<u>0</u>
Safe and Drug Free Schools and Communities	3D10	84.186	5,100	0	9,919	0
State Grants for Innovative Programs	3M10	84.298	3,512	0	3,977	0
Education Technology State Grants	3S20	84.318	14,197	0	12,391	0
Education Technology State Grants - ARRA	3DM0	84.386	63,600	0	79,974	0
Improving Teacher Quality	3Y60	84.367	266,063	0	274,895	0
State Fiscal Stabiliation Fund (SFSF) Ed St Grant - ARRA	GRF	84.394	1,386,608	0	983,723	0
Total Department of Education			<u>4,982,902</u>	<u>0</u>	<u>4,560,503</u>	<u>0</u>
Total Federal Assistance			<u>\$6,614,215</u>	<u>\$32,869</u>	<u>\$6,191,816</u>	<u>\$32,869</u>

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Education
Trotwood-Madison City School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Trotwood-Madison City School District (the District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the District in a separate letter dated December 29, 2010.

This report is intended solely for the information and use of management, the Auditor of State, the Board of Education, 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.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
December 29, 2010

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Education
Trotwood-Madison City School District

Compliance

We have audited the compliance of the Trotwood-Madison 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 its major federal programs for the year ended June 30, 2010. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2010, and have issued our report thereon date December 29, 2010, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, the Auditor of State, the Board of Education, 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.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
December 29, 2010

**TROTWOOD-MADISON CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010**

Section I – Summary of Auditor’s Results

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unqualified	
(d)(1)(ii)	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No	
(d)(1)(ii)	<i>Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?</i>	No	
(d)(1)(iii)	<i>Was there any material reported non-compliance at the financial statement level (GAGAS)?</i>	No	
(d)(1)(iv)	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No	
(d)(1)(iv)	<i>Were there any other significant control deficiencies reported for major federal programs?</i>	No	
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified	
(d)(1)(vi)	<i>Are there any reportable findings under Section .510?</i>	No	
(d)(1)(vii)	<i>Major Programs (list):</i>	Special Education Cluster	
		Grants to State	CFDA # 84.027
		Preschool Grants	CFDA # 84.173
		Grants to State - ARRA	CFDA # 84.391
		Preschool Grants - ARRA	CFDA # 84.392
		Title I Cluster	
		Title I	CFDA # 84.010
		Title I - AARA	CFDA # 84.389
		State Fiscal Stabiliation Fund (SFSF) Ed St Grant - ARRA	CFDA # 84.394
(d)(1)(viii)	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$300,000 Type B: all others	
(d)(1)(ix)	<i>Low Risk Auditee?</i>	Yes	

Section II – Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS

None

Section III – Federal Award Findings and Questioned Costs

None

**TROTWOOD-MADISON CITY SCHOOL DISTRICT
JUNE 30, 2010**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
*OMB CIRCULAR A-133***

Trotwood-Madison City School District had no prior audit findings or questioned costs.



Dave Yost • Auditor of State

TROTWOOD-MADISON CITY SCHOOL DISTRICT

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MARCH 8, 2011