

Comprehensive Annual Financial Report

for the year ended June 30, 2012



Our Mission is 100% Student Success

TROTWOOD-MADISON CITY SCHOOL DISTRICT
Trotwood, Ohio 45426



Dave Yost • Auditor of State

Board of Education
Trotwood-Madison City School District
3594 N. Snyder Road
Trotwood, Ohio 45426

We have reviewed the *Independent Auditors' Report* of the Trotwood-Madison City School District, Montgomery County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2011 through June 30, 2012. 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 27, 2013

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**PREPARED BY:
OFFICE OF THE TREASURER**

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TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	vii
List of Principal Officials	xvi
Organizational Chart	xvii
GFOA Certificate of Achievement for Excellence in Financial Reporting	xviii
ASBO Certificate of Excellence in Financial Reporting	xix
FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	19
Statement of Net Assets - Proprietary Fund	20
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Fund	21
Statement of Cash Flows - Proprietary Fund	22
Statement of Fiduciary Net Assets - Fiduciary Funds	23
Statement of Changes in Fiduciary Net Assets - Fiduciary Fund	24
Notes to the Basic Financial Statements	25
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	56
Notes to the Required Supplementary Information	57
Combining Statements and Individual Fund Schedules:	
Major Governmental Fund	60
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis):	
Debt Service	61
Combining Statements and Individual Fund Schedules:	
Nonmajor Governmental Funds	63
Combining Balance Sheet	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	65
Nonmajor Special Revenue Funds	
Fund Descriptions	66
Combining Balance Sheet	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	74

TABLE OF CONTENTS

	Page
Nonmajor Special Revenue Funds (continued)	
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Other Grants	79
Classroom Facilities Maintenance	80
Extracurricular Activity	81
Auxiliary Services	82
Management Information	83
Data Communications	84
School Net Professional Development	85
Ohio Reads	86
Miscellaneous State Grants	87
Title VIB/Preschool	88
Title I	89
Title V	90
Drug-Free Schools	91
EHA Pre-School Grant	92
Title VI-R	93
Miscellaneous Federal Grants	94
Food Service	95
Public School Preschool	96
Fiscal Stabilization	97
Title II-D	98
Education Jobs	99
Race to the Top	100
Nonmajor Capital Project Funds	
Fund Descriptions	101
Combining Balance Sheet	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	104
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Permanent Improvement	106
Building	107
Classroom Facilities	108
SchoolNet Plus	109
Other General Funds	
Fund Descriptions	110
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Public School	111
Uniform School Supply	112
Nonmajor Fiduciary Funds	
Fund Descriptions	113
Statement of Changes in Assets and Liabilities	114

TABLE OF CONTENTS

	<u>Schedule</u>	<u>Page</u>
STATISTICAL SECTION		
Net Assets by Component	1	116
Expenses, Program Revenues and Net (Expense)/Revenue	2	117
General Revenues and Total Change in Net Assets	3	118
Fund Balances, Governmental Funds	4	119
Governmental Funds Revenues	5	120
Governmental Funds Expenditures and Debt Service Ratio	6	121
Other Financing Sources and Uses and Net Change in Fund Balances	7	122
Assessed and Estimated Actual Value of Taxable Property	8	123
Direct and Overlapping Property Tax Rates	9	124
Principal Property Tax Payers	10	125
Property Tax Levies and Collections	11	126
Outstanding Debt by Type	12	127
Direct and Overlapping Governmental Activities Debt	13	128
Legal Debt Margin Information	14	129
Demographic and Economic Statistics	15	130
Major Employers	16	131
Full-Time Equivalent District Employees by Type	17	132
Operating Statistics	18	134
School Building Information	19	135

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INTRODUCTORY SECTION





TROTWOOD-MADISON
CITY SCHOOL DISTRICT
Our Mission Is 100% Student Success!

December 28, 2012

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, 2012, 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 co-curricular 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 Mother Brunner. 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, Indiana. 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. The City of Trotwood is a major suburb within a diversified metropolitan economy characterized by above average unemployment, modest job growth and a diversity of employers.

The District is comprised of a high school campus serving grades 7-12, one elementary school serving grades 3-6 and one elementary school serving grades PS-2. The District currently services approximately 2,650 students.

Constructed	School Address	June 2012 Enrollment
2007	Early Learning Center 4400 North Union Road	572
2009	Trotwood-Madison Elementary 4420 North Union Road	777
2005	Trotwood-Madison High School 4440 North Union Road	1297

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, 2012, were as follows:

Board Member	Began Service	Term Expires	Profession
Vanessa Jeter-Freeman	January, 2004	December, 2015	Lead Manpower Analyst
Adrienne L. Heard	January, 2012	December, 2015	Self-Employed
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	Hospice Care

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. Dr. Wagner retired effective February 2012 and Kevin A. Bell was appointed interim Superintendent of Trotwood-Madison City Schools. Mr. Bell was named Superintendent of Schools effective August 1, 2012. Superintendent Bell holds a B.S. in Education and Master of Education degree conferred by Wright State University in Dayton, OH and has completed post-graduate work at 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 resigned effective August 1, 2011 and served as interim Treasurer until November 7, 2011. Ms. Janice D. Allen was hired as Treasurer of Trotwood-Madison City School District in November, 2011. Ms. Allen received her B.A. Degree from the University of Cincinnati in Cincinnati, Ohio and her B.S.E.E. from the University of Dayton.

EMPLOYEE RELATIONS

The District currently has approximately 312 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 on June 30, 2013.

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 1,950 students each day. The District fleet of 18 buses travels over 1,405 miles each day transporting to 10 different sites. The department transported public students on approximately 527 extra-curricular trips during the year.

The food service department served 347,194 plate lunches through the District's 3 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 303,344 breakfasts in all 3 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 3 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 108 students in the specific trades through vocational education. Over 490 students receive special services, due to physical or mental handicapping conditions. In grades 4-8, approximately 78 students participated in the gifted program. The District presented 174 high school diplomas in 2012.

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 2011-2012 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
- Reclaiming students from community, private, and parochial schools

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, 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 funding for the OEBM started in for FY10 by allocating the funding for each year based on 99% of the FY09 funding and 98% of the FY10 funding, respectively. Federal stimulus funds were used in Ohio to balance the education budget and as such, funding for public education at the current level is not secure beyond FY11.

On June 30, 2011, Ohio's Governor signed HB 153, the state biennium budget bill. The impact of this bill was a slight increase in state funding for the District for both fiscal years 2011-2012 and 2012-2013. The Governor has indicated that he will prepare a new school funding model for Ohio school districts for fiscal year 2012-2013. At this time, we do not know the details of the changes or the impact that these changes may have on our future state funding. This uncertainty could have an impact on our instructional and operational programs. The need for additional revenue and or expenditure reductions will need to be closely monitored.

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.

INDEPENDENT AUDIT

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. Plattenburg and Associates, Inc. performed the audit for the fiscal year ended June 30, 2012. The auditor's unqualified opinion rendered on the District's basic financial statements is included in the financial section of this Comprehensive Annual Financial Report.

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, 2011. 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

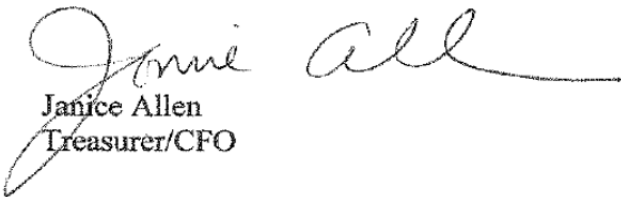
The Association of School Business Officials International [ASBO] awards a Certificate of Excellence in Financial Reporting to school districts that publish Comprehensive Annual Financial Reports which substantially conform to the principles and standards of financial reporting as recommended and adopted 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, 2011. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2012, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

ACKNOWLEDGEMENTS

The preparation of the 2012 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, Inc. 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,



Janice Allen
Treasurer/CFO

TROTWOOD-MADISON CITY SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2012

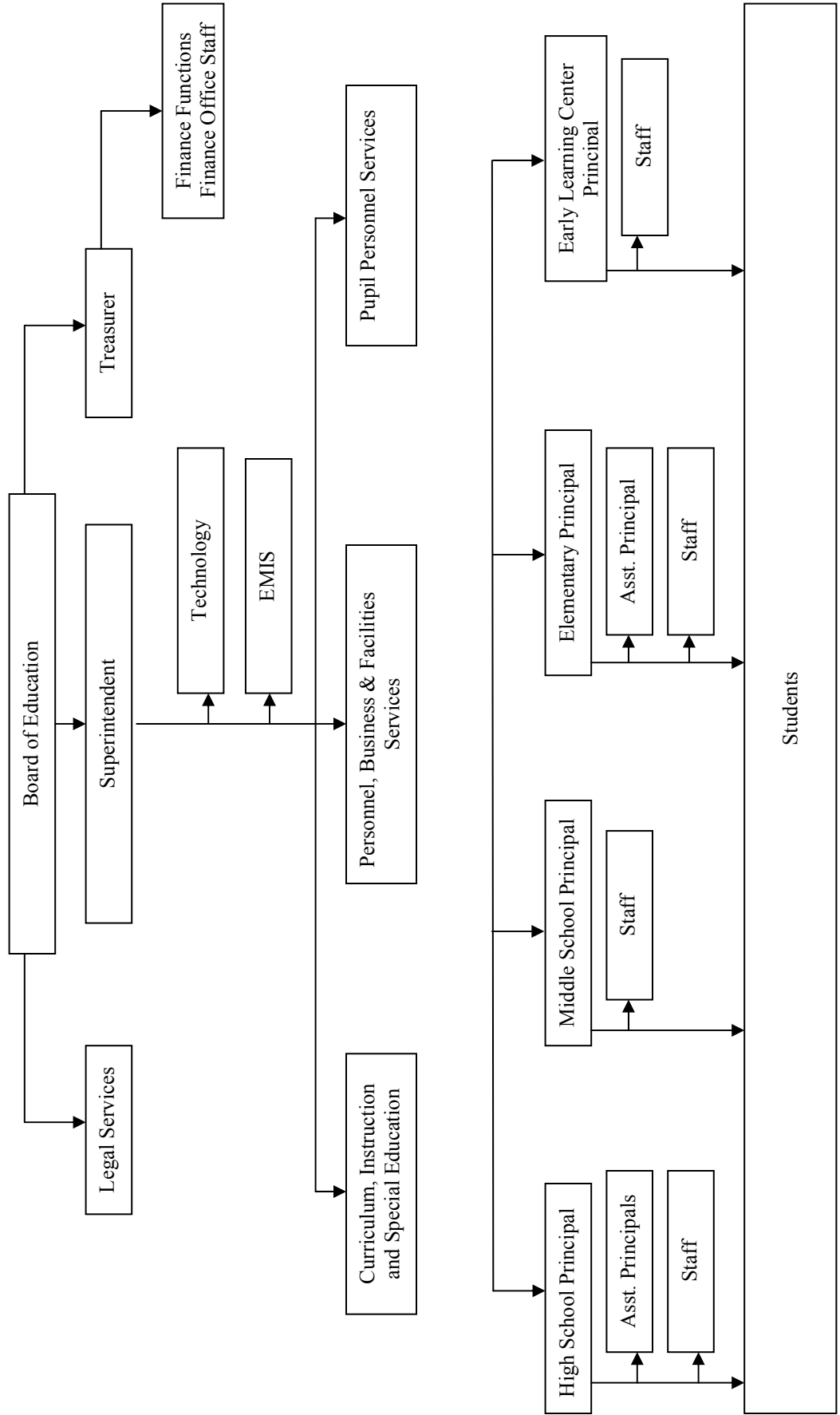
BOARD OF EDUCATION

President..... Mrs. Adrienne Heard
Vice President..... Mrs. Deborah Daniel
Board Member..... Ms. Teena Davis
Board Member..... Mrs. Vanessa Jeter-Freeman
Board Member..... Mrs. Denise Moore

ADMINISTRATIVE OFFICIALS

Superintendent..... Mr. Kevin A. Bell
Treasurer..... Ms. Janice D. Allen
Director of Operations and Human Resources..... Mr. John Smith
Director of Curriculum, Instruction and Special Education..... Mr. Gerald Cox
Director of Pupil Services..... Ms. Vivian Schooler

**TROTWOOD-MADISON CITY SCHOOLS
ORGANIZATIONAL CHART
2011-12**



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, 2011

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.



Linda C. Davison

President

Jeffrey R. Enos

Executive Director

Association of School Business Officials International



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

Trotwood-Madison City School District, Ohio

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2011*

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



Brian L. Mee, SFO, RSBA
President

John D. Musso, CAE, RSBA
Executive Director

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2012, 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 28, 2012, 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 28, 2012

Trotwood-Madison City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
(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, 2012. 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 2012 are as follows:

- Net assets of governmental activities increased \$214,379.
- General revenues accounted for \$33,053,241 in revenue or 80.7% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$7,910,529 or 19.3% of total revenues of \$40,963,770 .
- The District had \$40,749,391 in expenses related to governmental activities; \$7,910,529 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$33,053,241 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 and Debt Service 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, 2012
(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 2012?” 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.

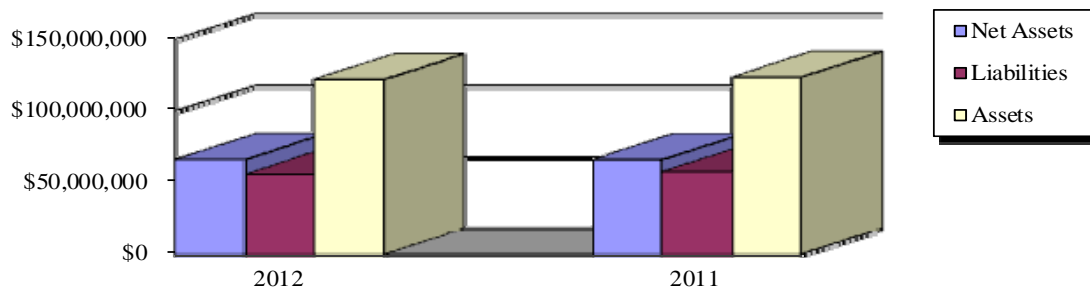
Trotwood-Madison City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
(Unaudited)

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 2012 compared to 2011:

Table 1
Net Assets

	Governmental Activities	
	2012	2011
Assets:		
Current and Other Assets	\$35,761,091	\$35,670,643
Capital Assets	86,185,259	87,791,344
Total Assets	121,946,350	123,461,987
Liabilities:		
Other Liabilities	12,209,208	13,411,687
Long-Term Liabilities	43,583,225	44,110,762
Total Liabilities	55,792,433	57,522,449
Net Assets:		
Invested in Capital Assets, Net of Related Debt	46,025,976	47,162,494
Restricted	4,916,405	5,545,426
Unrestricted	15,211,536	13,231,618
Total Net Assets	\$66,153,917	\$65,939,538



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2012, the District's assets exceeded liabilities by \$66,153,917 .

Trotwood-Madison City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
(Unaudited)

At year-end, capital assets represented 71% 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, 2012, was \$46,025,976. 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.

A portion of the District's net assets, \$4,916,405 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 depreciation expense being greater than current year additions. Long-term liabilities decreased mainly due to the District making regularly scheduled principal and interest payments.

Table 2 shows the changes in net assets for fiscal years 2012 and 2011.

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Trotwood-Madison City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
(Unaudited)

Table 2
Changes in Net Assets

	Governmental Activities	
	2012	2011 Reclassed
Revenues:		
Program Revenues		
Charges for Services	\$696,742	\$739,651
Operating Grants, Contributions	7,213,787	9,116,882
General Revenues:		
Property Taxes	10,874,681	10,975,682
Grants and Entitlements	21,025,020	20,907,721
Other	1,153,540	508,333
Total Revenues	40,963,770	42,248,269
Program Expenses:		
Instruction	16,264,686	18,318,100
Support Services:		
Pupil and Instructional Staff	4,155,198	3,794,990
School Administrative, General		
Administration, Fiscal and Business	4,414,288	3,872,708
Operations and Maintenance	3,069,944	3,093,825
Pupil Transportation	1,788,916	1,477,769
Central	1,167,037	1,326,745
Operation of Non-Instructional Services	6,960,950	6,873,067
Extracurricular Activities	577,745	536,277
Interest and Fiscal Charges	2,350,627	2,087,456
Total Program Expenses	40,749,391	41,380,937
Change in Net Assets	214,379	867,332
Net Assets Beginning of Year	65,939,538	65,072,206
Net Assets End of Year	\$66,153,917	\$65,939,538

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.

The increase in net assets can be attributed to the decrease in total expenses which was due to the District's ongoing efforts to cut costs throughout the District.

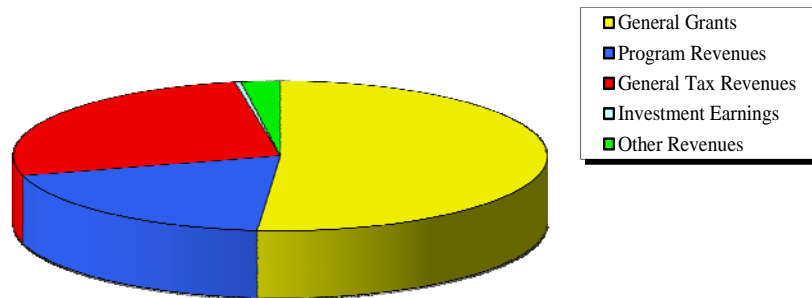
Trotwood-Madison City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
(Unaudited)

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 26.6% of revenue for governmental activities for the District in fiscal year 2012.

Governmental Activities
Revenue Sources

Revenue Sources	2012	Percent of Total
General Grants	\$21,025,020	51.3%
Program Revenues	7,910,529	19.3%
General Tax Revenues	10,874,681	26.6%
Investment Earnings	150,211	0.4%
Other Revenues	1,003,329	2.4%
Total Revenue Sources	\$40,963,770	100.0%



Instruction comprises 39.9% of governmental program expenses. Support services expenses were 35.8% of governmental program expenses. All other expenses and interest expense was 24.3% Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Property taxes revenue decreased mainly due to a decrease in delinquents unpaid in fiscal year 2012 as compared to fiscal year 2011. Instructional expenses decreased as the District cut costs throughout the District.

Trotwood-Madison City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
(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	
	2012	2011 Reclassed	2012	2011 Reclassed
Instruction	\$16,264,686	\$18,318,100	(\$12,125,279)	(\$11,716,781)
Support Services:				
Pupil and Instructional Staff	4,155,198	3,794,990	(2,942,932)	(3,126,501)
School Administrative, General				
Administration, Fiscal and Business	4,414,288	3,872,708	(4,110,172)	(3,535,420)
Operations and Maintenance	3,069,944	3,093,825	(3,032,811)	(3,052,886)
Pupil Transportation	1,788,916	1,477,769	(1,627,115)	(1,334,111)
Central	1,167,037	1,326,745	(1,154,347)	(1,301,729)
Operation of Non-Instructional Services	6,960,950	6,873,067	(4,959,569)	(4,865,957)
Extracurricular Activities	577,745	536,277	(536,010)	(503,563)
Interest and Fiscal Charges	2,350,627	2,087,456	(2,350,627)	(2,087,456)
Total Expenses	<u>\$40,749,391</u>	<u>\$41,380,937</u>	<u>(\$32,838,862)</u>	<u>(\$31,524,404)</u>

The District's Funds

The District has two major governmental funds: the General Fund and Debt Service Fund. Assets of these funds comprise \$31,276,879 (91%) of the total \$34,254,560 governmental funds assets.

General Fund: Fund balance at June 30, 2012 was \$14,712,441. The primary reason for the increase in fund balance was due to a decrease in instruction expenses due to the District's effort to cut costs.

Debt Service Fund: Fund balance at June 30, 2012 was \$2,959,493. Fund balance remained relatively consistent in 2012 when compared to 2011.

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, 2012
(Unaudited)

For the General Fund, final budget basis revenue was \$32,121,203. The original budget estimate was \$20,683,571. The difference was \$11,437,632. Of this difference, most was due to conservative estimates for 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 \$15,641,617.

Capital Assets and Debt Administration

Capital Assets

At fiscal year end, the District had \$86,185,259 invested in land, construction in progress, buildings and improvements and equipment. Table 4 shows fiscal year 2012 balances compared to fiscal year 2011:

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

	Governmental Activities	
	2012	2011
Land	\$1,156,779	\$1,156,779
Construction in Progress	182,550	6,414,349
Buildings and Improvements	81,460,275	76,786,989
Equipment	3,385,655	3,433,227
Total Net Capital Assets	<u>\$86,185,259</u>	<u>\$87,791,344</u>

The decrease in capital assets is mainly due to an increase in depreciation expense.

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, 2012
(Unaudited)

Debt

At June 30, 2012, the District had \$42,395,298 in debt outstanding, \$961,796 due within one year. Table 5 summarizes debt outstanding.

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2012	2011
2002 Refunding Bonds:		
Current Interest Bonds	\$0	\$615,000
Capital Appreciation Bonds	355,000	355,000
Accretion of Interest	1,313,502	1,063,743
2007 Refunding Bonds:		
Current Interest Bonds	28,605,000	28,605,000
Capital Appreciation Bonds	1,010,000	1,010,000
Accretion of Interest	922,513	708,474
Premium	712,018	749,492
Capital Leases:		
2008 Classroom Facilities Project Lease - COP	8,995,000	9,215,000
2008 Classroom Facilities Project Lease - Premium	76,051	79,358
2011 Turf Improvements Lease	406,214	500,000
Total Long-Term Bonds and Capital Leases	<u>\$42,395,298</u>	<u>\$42,901,067</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

On June 30, 2011, Ohio's Governor signed HB 153, the state biennium budget bill. The impact of this bill was a slight increase in state funding for the District for fiscal years 2011-2012 (FY12) and 2012-2013 (FY13). These increases backfill part of the funding left with the elimination of the Federal State Fiscal Stabilization Funding (SFSF) provided through the American Recovery and Reinvestment Act (ARRA). The Governor has indicated that he plans to develop a new funding model for Ohio school districts for fiscal year FY13. At this time, we do not know the details of the changes or the impact that these changes may have on our future state funding. This uncertainty could have an impact on our instructional and operational programs. The need for additional revenue and or expenditure reductions will need to be closely monitored.

The governor in March 2012, unveiled his Mid-Biennium Review (MBR), named such because it is halfway between Ohio's two-year budget cycle, a number of educational initiatives; third grade reading guarantee, teacher evaluation changes and teacher testing updates. Implementation of these programs could propose a further strain on the general fund for these underfunded mandates.

Trotwood-Madison City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
(Unaudited)

Funding for Early Childhood, Special Education, and Career-Technical Education will remain flat during the upcoming year.

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, the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting since 1999 and the GFOA Budget Award since 1999.

The District will have to continue to find innovative ways to increase revenue and reduce expenditures in order to meet the financial 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 the Treasurer at Trotwood-Madison City Schools, 3594 N. Snyder Road, Trotwood, Ohio 45426.

Trotwood-Madison City School District, Ohio
Statement of Net Assets
June 30, 2012

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$21,398,234
Restricted Cash and Investments	81,076
Cash and Cash Equivalents with Fiscal Agent	182,550
Receivables:	
Taxes	13,030,280
Accounts	2,653
Intergovernmental	443,620
Deferred Charges	610,570
Inventory	12,108
Nondepreciable Capital Assets	1,339,329
Depreciable Capital Assets, Net	<u>84,845,930</u>
 Total Assets	 <u>121,946,350</u>
Liabilities:	
Accounts Payable	180,640
Accrued Wages and Benefits	2,086,593
Retainage Payable	182,550
Accrued Interest Payable	216,300
Unearned Revenue	9,352,953
Claims Payable	190,172
Long-Term Liabilities:	
Due Within One Year	1,275,406
Due In More Than One Year	<u>42,307,819</u>
 Total Liabilities	 <u>55,792,433</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	46,025,976
Restricted for:	
Debt Service	3,267,011
Capital Projects	926,736
Other Purposes	88,800
Classroom Facilities Maintenance	619,075
Federal Grants	14,783
Unrestricted	<u>15,211,536</u>
 Total Net Assets	 <u>\$66,153,917</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, 2012

	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services and Sales	Operating Grants and Contributions	and Changes in Net Assets Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$12,504,796	\$207,113	\$1,022,325	(\$11,275,358)
Special	3,497,927	125,998	2,469,729	(902,200)
Vocational	225	0	79,248	79,023
Other	261,738	4,743	230,251	(26,744)
Support Services:				
Pupil	2,239,937	0	344,743	(1,895,194)
Instructional Staff	1,915,261	0	867,523	(1,047,738)
General Administration	63,178	0	0	(63,178)
School Administration	2,707,369	135,603	168,330	(2,403,436)
Fiscal	1,152,780	0	183	(1,152,597)
Business	490,961	0	0	(490,961)
Operations and Maintenance	3,069,944	20,051	17,082	(3,032,811)
Pupil Transportation	1,788,916	22,879	138,922	(1,627,115)
Central	1,167,037	0	12,690	(1,154,347)
Operation of Non-Instructional Services	6,960,950	138,620	1,862,761	(4,959,569)
Extracurricular Activities	577,745	41,735	0	(536,010)
Interest and Fiscal Charges	2,350,627	0	0	(2,350,627)
Total Governmental Activities	\$40,749,391	\$696,742	\$7,213,787	(32,838,862)

General Revenues:

Property Taxes Levied for:

General Purposes	8,486,452
Special Revenue Purposes	107,103
Debt Service Purposes	1,743,466
Capital Projects Purposes	537,660
Grants and Entitlements not Restricted to Specific Programs	21,025,020
Revenue in Lieu of Taxes	32,677
Investment Earnings	150,211
Other Revenues	970,652

Total General Revenues 33,053,241

Change in Net Assets 214,379

Net Assets Beginning of Year 65,939,538

Net Assets End of Year \$66,153,917

See accompanying notes to the basic financial statements.

Trotwood-Madison City School District, Ohio
Balance Sheet
Governmental Funds
June 30, 2012

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$15,694,760	\$2,859,295	\$1,556,323	\$20,110,378
Restricted Cash and Investments	81,076	0	0	81,076
Cash and Cash Equivalents with Fiscal Agent	0	0	182,550	182,550
Receivables:				
Taxes	10,170,281	2,085,845	774,154	13,030,280
Accounts	2,376	0	277	2,653
Intergovernmental	0	0	443,620	443,620
Interfund	383,246	0	8,649	391,895
Inventory	0	0	12,108	12,108
Total Assets	26,331,739	4,945,140	2,977,681	34,254,560
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	153,857	0	26,783	180,640
Accrued Wages and Benefits	1,605,217	0	481,376	2,086,593
Compensated Absences	165,675	0	0	165,675
Retainage Payable	0	0	182,550	182,550
Interfund Payable	0	0	391,895	391,895
Deferred Revenue	9,694,549	1,985,647	750,436	12,430,632
Total Liabilities	11,619,298	1,985,647	1,833,040	15,437,985
Fund Balances:				
Nonspendable	0	0	12,108	12,108
Restricted	0	2,959,493	1,495,892	4,455,385
Assigned	24,002	0	0	24,002
Unassigned	14,688,439	0	(363,359)	14,325,080
Total Fund Balances	14,712,441	2,959,493	1,144,641	18,816,575
Total Liabilities and Fund Balances	\$26,331,739	\$4,945,140	\$2,977,681	\$34,254,560

See accompanying notes to the basic financial statements.

Trotwood-Madison City School District, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Assets of Governmental Activities
 June 30, 2012

Total Governmental Fund Balance		\$18,816,575
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.		86,185,259
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	3,064,210	
Intergovernmental	<u>13,469</u>	
		3,077,679
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.		1,097,684
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.		(216,300)
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		(1,022,252)
Deferred bond issuance cost associated with long-term liabilities are not reported in the funds.		610,570
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(42,395,298)</u>
Net Assets of Governmental Activities		<u>\$66,153,917</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, 2012

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$8,088,596	\$1,694,281	\$621,808	\$10,404,685
Revenue in lieu of taxes	32,677	0	0	32,677
Tuition and Fees	337,854	0	24,584	362,438
Investment Earnings	12,367	0	1,902	14,269
Intergovernmental	22,703,985	286,665	5,288,657	28,279,307
Extracurricular Activities	20,949	0	154,605	175,554
Charges for Services	0	0	138,700	138,700
Other Revenues	916,291	0	400	916,691
Total Revenues	32,112,719	1,980,946	6,230,656	40,324,321
Expenditures:				
Current:				
Instruction:				
Regular	8,199,569	0	1,613,669	9,813,238
Special	2,954,289	0	508,708	3,462,997
Other	1,791	0	258,314	260,105
Support Services:				
Pupil	1,735,366	0	512,178	2,247,544
Instructional Staff	911,840	0	935,739	1,847,579
General Administration	63,178	0	0	63,178
School Administration	2,243,388	0	335,114	2,578,502
Fiscal	1,103,832	25,720	9,707	1,139,259
Business	479,879	0	0	479,879
Operations and Maintenance	2,861,780	0	105,275	2,967,055
Pupil Transportation	1,656,926	0	27,437	1,684,363
Central	1,012,603	0	151,574	1,164,177
Operation of Non-Instructional Services	4,668,449	0	2,171,625	6,840,074
Extracurricular Activities	497,697	0	24,927	522,624
Capital Outlay	1,134,371	0	688,032	1,822,403
Debt Service:				
Principal Retirement	93,786	615,000	220,000	928,786
Interest and Fiscal Charges	14,743	1,255,214	411,248	1,681,205
Total Expenditures	29,633,487	1,895,934	7,973,547	39,502,968
Excess of Revenues Over (Under) Expenditures	2,479,232	85,012	(1,742,891)	821,353
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	85,187	0	0	85,187
Transfers In	0	0	280,150	280,150
Transfers (Out)	(280,150)	0	0	(280,150)
Total Other Financing Sources (Uses)	(194,963)	0	280,150	85,187
Net Change in Fund Balance	2,284,269	85,012	(1,462,741)	906,540
Fund Balance Beginning of Year	12,428,172	2,874,481	2,607,382	17,910,035
Fund Balance End of Year	\$14,712,441	\$2,959,493	\$1,144,641	\$18,816,575

See accompanying notes to the basic financial statements.

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, 2012

Net Change in Fund Balance - Total Governmental Funds		\$906,540
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	1,669,426	
Depreciation Expense	<u>(3,264,334)</u>	(1,594,908)
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss.		
		(11,177)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent Property Taxes	469,996	
Intergovernmental	<u>(40,499)</u>	429,497
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.		
		928,786
In the statement of activities interest expense is accrued when incurred, whereas in governmental funds an interest expenditure is reported when due.		
		(80,358)
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	(14,968)	
Amortization of Bond/Certificate of Participation Issuance Cost	(30,105)	
Amortization of Bond/Certificate of Participation Premium	40,781	
Bond Accretion	<u>(463,798)</u>	(468,090)
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.		
		<u>104,089</u>
Change in Net Assets of Governmental Activities		<u>\$214,379</u>

See accompanying notes to the basic financial statements.

Trotwood-Madison City School District, Ohio
Statement of Net Assets
Proprietary Fund
June 30, 2012

	<u>Governmental Activities- Internal Service Fund</u>
Assets:	
Current Assets:	
Equity in Pooled Cash and Investments	<u>\$1,287,856</u>
Total Current Assets	<u>1,287,856</u>
Liabilities:	
Current Liabilities:	
Claims Payable	<u>190,172</u>
Total Current Liabilities	<u>190,172</u>
Net Assets:	
Unrestricted	<u>1,097,684</u>
Total Net Assets	<u><u>\$1,097,684</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, 2012

	Governmental Activities- Internal Service Fund
Operating Revenues:	
Charges for Services	<u>\$2,725,989</u>
Total Operating Revenues	<u>2,725,989</u>
Operating Expenses:	
Contractual Services	<u>2,621,900</u>
Total Operating Expenses	<u>2,621,900</u>
Change in Net Assets	104,089
Net Assets Beginning of Year	<u>993,595</u>
Net Assets End of Year	<u><u>\$1,097,684</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, 2012

	<u>Governmental Activities- Internal Service Fund</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$2,725,989
Cash Payments for Claims	<u>(2,586,088)</u>
Net Cash Provided (Used) by Operating Activities	<u>139,901</u>
Net Increase (Decrease) in Cash and Cash Equivalents	139,901
Cash and Cash Equivalents Beginning of Year	<u>1,147,955</u>
Cash and Cash Equivalents End of Year	<u><u>1,287,856</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	104,089
Changes in Assets & Liabilities:	
Increase (Decrease) in Accrued Liabilities	<u>35,812</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$139,901</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, 2012

	<u>Private Purpose Trust</u>	<u>Agency</u>
Assets:		
Equity in Pooled Cash and Investments	<u>\$52,666</u>	<u>\$13,811</u>
Total Assets	<u>52,666</u>	<u>13,811</u>
Liabilities:		
Other Liabilities	<u>0</u>	<u>13,811</u>
Total Liabilities	<u>0</u>	<u>\$13,811</u>
Net Assets:		
Held in Trust	<u>52,666</u>	
Total Net Assets	<u>\$52,666</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, 2012

	Private Purpose Trust
Additions:	
Donations	\$525
Investment Earnings	56
Total Additions	<u>581</u>
Deductions:	
Scholarships	<u>4,747</u>
Total Deductions	<u>4,747</u>
Change in Net Assets	(4,166)
Net Assets Beginning of Year	<u>56,832</u>
Net Assets End of Year	<u><u>\$52,666</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, 2012

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, 2012

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, 2012

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.

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. The District has no enterprise funds. The following is a description of the District's internal service fund:

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.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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.

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.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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, 2012, but which were levied to finance fiscal year 2013 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.

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.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2012. 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, 2012. 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 \$12,367 credited to the general fund and \$1,902 credited to other governmental funds.

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 nonspendable 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.

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 two thousand five hundred dollars (\$2,500). 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

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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.

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

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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.

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 \$4,916,405 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 goods or services that are 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.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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 Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories are used:

Nonspendable – resources that are not in spendable form (inventory) or have legal or contractual requirements to maintain the balance intact.

Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed – resources that are constrained for specific purposes that are internally imposed by the government at its highest level of decision making authority, the Board of Education. Formal action by the Board of Education is needed to commit or rescind resources.

Assigned – resources that are intended to be used for specific purposes as approved through the District’s formal purchasing procedure by the Treasurer.

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

The District applies restricted resources first when an expense is incurred for purposes which both restricted and unrestricted net assets are available. The District considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

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.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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.

Cash With Fiscal Agent

Cash and Cash Equivalents with Fiscal Agent in the general fund and other governmental funds (building fund) 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:

- (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.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

- (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.

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 and Cash Equivalents 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, 2012 was \$182,550.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Deposits

Based on the criteria described in GASB Statement No. 40, “Deposit and Investment Risk Disclosures”, as of June 30, 2012, \$807,180 of the District’s bank balance of \$6,816,421 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, 2012, the District had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Money Market Funds	\$6,414,623	0.00
STAROhio	8,896,203	0.14
Total Fair Value	\$15,310,826	
Portfolio Weighted Average Maturity		0.08

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 42% in Money Market Funds and 58% 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.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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 2012 (other than public utility property tax) represents the collection of 2012 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 2012 were levied after April 1, 2011, on the value as of December 31, 2011. 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.

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 Montgomery 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, 2012, are available to finance fiscal year 2013 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, 2012. 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 \$475,732 in the General Fund, \$100,198 in the Debt Service Fund and \$37,187 in Other Governmental Funds.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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 2012 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$271,080,890
Public Utility	<u>8,208,170</u>
Total	<u><u>\$279,289,060</u></u>

Note 5 – Receivables

Receivables at June 30, 2012, 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.

Note 6 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,156,779	\$0	\$0	\$1,156,779
Construction in Progress	6,414,349	704,332	6,936,131	182,550
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	92,737,262	7,435,968	12,968	100,160,262
Equipment	<u>7,401,121</u>	<u>465,257</u>	<u>39,850</u>	<u>7,826,528</u>
Totals at Historical Cost	<u>107,709,511</u>	<u>8,605,557</u>	<u>6,988,949</u>	<u>109,326,119</u>
Less Accumulated Depreciation:				
Buildings and Improvements	15,950,273	2,762,682	12,968	18,699,987
Equipment	<u>3,967,894</u>	<u>501,652</u>	<u>28,673</u>	<u>4,440,873</u>
Total Accumulated Depreciation	<u>19,918,167</u>	<u>3,264,334</u>	<u>41,641</u>	<u>23,140,860</u>
Governmental Activities Capital Assets, Net	<u><u>\$87,791,344</u></u>	<u><u>\$5,341,223</u></u>	<u><u>\$6,947,308</u></u>	<u><u>\$86,185,259</u></u>

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$2,802,900
Special	55,716
Vocational	225
Support Services:	
Pupil	743
Instructional Staff	9,227
School Administration	118,248
Business	363
Operations and Maintenance	87,391
Pupil Transportation	71,286
Central	13,664
Operation of Non-Instructional Services	50,997
Extracurricular Activities	53,574
Total Depreciation Expense	<u><u>\$3,264,334</u></u>

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 is considered to be defeased and the liability for those bonds has been removed from the Statement of Net Assets.

In June 2011, the District issued a \$500,000 capital lease for turf improvements at the high school at an average interest rate of 3.15%.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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, 2012:

Fiscal Year Ending June 30	Capital Leases
2013	\$740,043
2014	739,851
2015	739,379
2016	743,270
2017	632,928
2018-2022	3,153,754
2023-2027	3,149,172
2028-2032	3,131,350
2033-2036	1,875,713
Total	14,905,460
Less: amount representing interest	(5,504,246)
Present Value of Future Minimum Lease Payments	<u>\$9,401,214</u>

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

Buildings and Improvements	\$10,657,000
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Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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:							
2002 Refunding:							
\$35,000,000 - Current Interest	12/1/11	4.97%	\$615,000	\$0	\$615,000	\$0	\$0
\$355,000 - Capital Appreciation	12/1/14		355,000	0	0	355,000	120,000
Accretion of Interest			1,063,743	249,759	0	1,313,502	515,000
2007 Refunding:							
\$29,825,000 - Current Interest	12/1/30	4.40%	28,605,000	0	0	28,605,000	0
\$1,010,000 - Capital Appreciation	12/1/16		1,010,000	0	0	1,010,000	0
Accretion of Interest			708,474	214,039	0	922,513	0
\$936,862 - Premium on 2007 Refunding			749,492	0	37,474	712,018	0
Total Bonds:			33,106,709	463,798	652,474	32,918,033	635,000
Capital Leases:							
\$10,000,000 - 2008 Classroom Facilities Project - COP	12/1/34	4.75%	9,215,000	0	220,000	8,995,000	230,000
\$92,586 - 2008 Classroom Facilities Project - Premium			79,358	0	3,307	76,051	0
\$500,000 - 2011 Turf Improvements - COP		3.15%	500,000	0	93,786	406,214	96,796
Total Long-Term Debt			42,901,067	463,798	969,567	42,395,298	961,796
Compensated Absences			1,209,695	317,537	339,305	1,187,927	313,610
Total Governmental Activities Long-Term Liabilities			\$44,110,762	\$781,335	\$1,308,872	\$43,583,225	\$1,275,406

Bonds payable will be paid from the debt service and capital leases will be paid from the 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			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
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	0	1,244,332	1,244,332	433,200	816,800	1,250,000
2017	0	1,244,332	1,244,332	369,805	830,195	1,200,000
2018-2022	7,125,000	5,529,402	12,654,402	0	0	0
2023-2027	10,430,000	3,695,378	14,125,378	0	0	0
2028-2032	11,050,000	981,899	12,031,899	0	0	0
Total	\$28,605,000	\$16,428,339	\$45,033,339	\$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, 2012

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, 2012, \$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, 2012, the allocation to pension and death benefits is 11.81%. The remaining 2.19% 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, 2012, 2011, and 2010 were \$830,832, \$797,520, and \$779,472, respectively; 67% has been contributed for fiscal year 2012 and 100% for fiscal years 2011 and 2010.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

State Teachers Retirement System of Ohio

Plan Description

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement system. STRS Ohio 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, 2012

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.

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.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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, 2012, were 10% of covered payroll for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2012, 2011, and 2010 were \$1,290,180, \$1,606,152, and \$2,129,424, respectively; 81% has been contributed for fiscal year 2012 and 100% for fiscal years 2011 and 2010.

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 2012 was \$96.40 for most participants, but could be as high as \$369.10 depending on their income; 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 2012, the actuarially required allocation was .76%. District contributions for the year ended June 30, 2012, 2011 and 2010 were \$45,102, \$43,294 and \$42,314, respectively, which equaled the required contributions each year.

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.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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, 2012, the health care allocation was 1.43%. 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 2012, 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, 2012, 2011, and 2010 were \$84,864, \$81,461, and \$25,611, respectively; 67% has been contributed for fiscal year 2012 and 100% for fiscal years 2011 and 2010.

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.

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.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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, 2012, 2011 and 2010. The 14% employer contribution rate is the maximum rate established under Ohio law. The District contributions for the years ended June 30, 2012, 2011, and 2010 were \$92,156, \$114,725, and \$152,101, respectively; 81% has been contributed for fiscal year 2012 and 100% for fiscal years 2011 and 2010.

Note 12 - Contingent Liabilities

Student Attendance Data Review

The Auditor of State is currently performing a statewide review of supporting documentation for student attendance data reported to the Ohio Department of Education. The results of this review are still pending and will be reported separately to the Ohio Department of Education at a later date.

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. This also encompasses the Auditor of State's ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2012, if applicable, cannot be determined at this time.

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, 2012.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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.

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 \$102,304,096 for property. Property has a \$2,500 deductible. Vehicle insurance is covered by Netherland 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 Co. The base policy has a \$1,000,000 per occurrence and a \$3,000,000 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 \$190,172 reported in the fund at June 30, 2012, 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.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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.

Changes in the fund's claims liability amount in fiscal years 2010, 2011, and 2012 were as follows:

	Balance at <u>July 1</u>	Current Year <u>Claims</u>	Claim <u>Payments</u>	Balance at <u>June 30</u>
2009/2010	\$259,295	\$1,850,006	\$1,958,489	\$150,812
2010/2011	150,812	2,249,306	2,245,758	154,360
2011/2012	154,360	1,646,749	1,610,937	190,172

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.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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.

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	\$22,491
Title I	34,064
EHA Preschool Grant	186
Title VI-R	11,096
Public School Preschool	8,473
Food Service	192,606
Education Jobs	30,073
Race to the Top	6,445
Classroom Facilities	45,817

The deficits 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.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Note 16 - 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 acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

The following cash basis information describes the change in the year-end set-aside amounts for 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, 2011	(\$1,270,687)	\$0	\$81,076
Current Year Set Aside Requirements	0	473,703	0
Qualified Disbursements	0	(226,626)	0
Elimination per H.B. 30 of the 129th General Assembly	1,270,687	0	
Current Year Offsets	0	(42,791,049)	0
Set Aside Reserve Balance as of June 30, 2012	<u>\$0</u>	<u>(\$42,543,972)</u>	<u>\$81,076</u>
Restricted Cash as of June 30, 2012	<u>\$0</u>	<u>\$0</u>	<u>\$81,076</u>

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.

Effective April 10, 2001, Am. Sub. Senate Bill 345 amended ORC Section 5705.29 effectively eliminating the requirement for the District to establish and maintain a budget stabilization reserve. As a result, the Board passed a resolution authorizing the transfer of the budget stabilization reserve to the General Fund as a fund balance. The money set aside in this account can only be used in the event of funding deficit or catastrophic emergency and then only by Board resolution.

Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Note 17 - Interfund Transactions

Interfund transactions at June 30, 2012, consisted of the following individual fund receivables and payables, transfers in and out.

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$383,246	\$0	\$0	\$280,150
Other Governmental Funds	8,649	391,895	280,150	0
Total All Funds	<u>\$391,895</u>	<u>\$391,895</u>	<u>\$280,150</u>	<u>\$280,150</u>

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.

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Trotwood-Madison City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Note 18 – Fund Balances

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

Fund Balances	General	Debt Service	Other Governmental Funds	Total
Nonspendable:				
Inventory	\$0	\$0	\$12,108	\$12,108
Total Nonspendable	0	0	12,108	12,108
Restricted for:				
Other Grants	0	0	1,534	1,534
Classroom Facilities Maintenance	0	0	588,821	588,821
Extracurricular Activity	0	0	12,749	12,749
Auxiliary Services	0	0	67,605	67,605
Management Information	0	0	4,776	4,776
Ohio Reads	0	0	26	26
Miscellaneous State Grants	0	0	3,663	3,663
Title V	0	0	30	30
Miscellaneous Federal Grants	0	0	5,953	5,953
Fiscal Stabilization	0	0	2,236	2,236
Title II-D	0	0	550	550
Debt Service	0	2,959,493	0	2,959,493
Building	0	0	669,192	669,192
Permanent Improvement	0	0	130,138	130,138
School Net Plus	0	0	8,619	8,619
Total Restricted	0	2,959,493	1,495,892	4,455,385
Assigned to:				
Public School	24,002	0	0	24,002
Total Assigned	24,002	0	0	24,002
Unassigned (Deficit)	14,688,439	0	(363,359)	14,325,080
Total Fund Balance	\$14,712,441	\$2,959,493	\$1,144,641	\$18,816,575

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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, 2012

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$5,270,032	\$8,184,262	\$8,184,262	\$0
Revenue in lieu of taxes	21,041	32,677	32,677	0
Tuition and Fees	199,073	309,157	309,157	0
Investment Earnings	7,963	12,367	12,367	0
Intergovernmental	14,619,611	22,703,984	22,703,984	0
Other Revenues	565,851	878,756	878,756	0
Total Revenues	20,683,571	32,121,203	32,121,203	0
Expenditures:				
Current:				
Instruction:				
Regular	8,810,343	8,784,541	8,503,877	280,664
Special	3,127,128	3,117,970	3,018,351	99,619
Other	7,516	7,494	7,255	239
Support Services:				
Pupil	1,816,129	1,810,810	1,752,955	57,855
Instructional Staff	1,023,213	1,020,217	987,621	32,596
General Administration	65,455	65,263	63,178	2,085
School Administration	2,360,275	2,353,362	2,278,173	75,189
Fiscal	5,973,518	5,956,024	5,765,730	190,294
Business	498,816	497,355	481,465	15,890
Operations and Maintenance	2,942,883	2,934,264	2,840,515	93,749
Pupil Transportation	1,740,168	1,735,072	1,679,637	55,435
Central	1,029,988	1,026,972	994,160	32,812
Operation of Non-Instructional Services	10,919	10,887	10,539	348
Extracurricular Activities	464,598	463,237	448,437	14,800
Capital Outlay	657,026	655,101	634,171	20,930
Debt Service:				
Principal Retirement	97,166	96,881	93,786	3,095
Interest and Fiscal Charges	15,274	15,230	14,743	487
Total Expenditures	30,640,415	30,550,680	29,574,593	976,087
Excess of Revenues Over (Under) Expenditures	(9,956,844)	1,570,523	2,546,610	976,087
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	54,854	85,187	85,187	0
Advances In	482,681	749,594	749,594	0
Advances (Out)	(392,676)	(391,526)	(379,017)	12,509
Transfers (Out)	(290,246)	(289,396)	(280,150)	9,246
Total Other Financing Sources (Uses)	(145,387)	153,859	175,614	21,755
Net Change in Fund Balance	(10,102,231)	1,724,382	2,722,224	997,842
Fund Balance Beginning of Year, (includes prior year encumbrances appropriated)	12,919,393	12,919,393	12,919,393	0
Fund Balance End of Year	\$2,817,162	\$14,643,775	\$15,641,617	\$997,842

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, 2012

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 2012.

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 an assignment 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, 2012

4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.
5. Some funds are reported as part of the general fund (GAAP basis) as opposed to the general fund being reported alone (budget basis).

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	\$2,284,269
Revenue Accruals	6,557
Expenditure Accruals	119,405
Advances In	749,594
Advances (Out)	(379,017)
Funds Budgeted Elsewhere	1,927
Encumbrances	(60,511)
Budget Basis	<u><u>\$2,722,224</u></u>

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



MAJOR GOVERNMENTAL FUNDS

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds. 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.

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, 2012

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$1,727,723	\$1,727,723	\$0
Intergovernmental	286,665	286,665	0
Total Revenues	<u>2,014,388</u>	<u>2,014,388</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	25,720	25,720	0
Debt Service:			
Principal Retirement	615,000	615,000	0
Interest and Fiscal Charges	1,255,214	1,255,214	0
Total Expenditures	<u>1,895,934</u>	<u>1,895,934</u>	<u>0</u>
Net Change in Fund Balance	118,454	118,454	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>2,740,841</u>	<u>2,740,841</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$2,859,295</u></u>	<u><u>\$2,859,295</u></u>	<u><u>\$0</u></u>

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Capital Projects Funds

The Capital Projects Funds is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. The District has four Capital Projects Funds for fiscal year 2012, the Permanent Improvement Fund, the Building Fund, the Classroom Facilities Fund and the SchoolNet Plus Fund.

Trotwood-Madison City School District, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$787,903	\$768,420	\$1,556,323
Cash and Cash Equivalents with Fiscal Agent	0	182,550	182,550
Receivables:			
Taxes	128,597	645,557	774,154
Accounts	277	0	277
Intergovernmental	443,620	0	443,620
Interfund	30	8,619	8,649
Inventory	12,108	0	12,108
Total Assets	1,372,535	1,605,146	2,977,681
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	26,783	0	26,783
Accrued Wages and Benefits	481,376	0	481,376
Retainage Payable	0	182,550	182,550
Interfund Payable	345,978	45,917	391,895
Deferred Revenue	135,889	614,547	750,436
Total Liabilities	990,026	843,014	1,833,040
Fund Balances:			
Nonspendable	12,108	0	12,108
Restricted	687,943	807,949	1,495,892
Unassigned	(317,542)	(45,817)	(363,359)
Total Fund Balances	382,509	762,132	1,144,641
Total Liabilities and Fund Balances	\$1,372,535	\$1,605,146	\$2,977,681

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, 2012

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$103,290	\$518,518	\$621,808
Tuition and Fees	24,584	0	24,584
Investment Earnings	0	1,902	1,902
Intergovernmental	5,201,986	86,671	5,288,657
Extracurricular Activities	154,605	0	154,605
Charges for Services	138,700	0	138,700
Other Revenues	400	0	400
Total Revenues	5,623,565	607,091	6,230,656
Expenditures:			
Current:			
Instruction:			
Regular	1,613,669	0	1,613,669
Special	508,708	0	508,708
Other	258,314	0	258,314
Support Services:			
Pupil	512,178	0	512,178
Instructional Staff	935,739	0	935,739
School Administration	335,114	0	335,114
Fiscal	1,122	8,585	9,707
Operations and Maintenance	105,275	0	105,275
Pupil Transportation	27,437	0	27,437
Central	20,875	130,699	151,574
Operation of Non-Instructional Services	2,171,625	0	2,171,625
Extracurricular Activities	24,927	0	24,927
Capital Outlay	0	688,032	688,032
Debt Service:			
Principal Retirement	0	220,000	220,000
Interest and Fiscal Charges	0	411,248	411,248
Total Expenditures	6,514,983	1,458,564	7,973,547
Excess of Revenues Over (Under) Expenditures	(891,418)	(851,473)	(1,742,891)
Other Financing Sources (Uses):			
Transfers In	37,533	242,617	280,150
Total Other Financing Sources (Uses)	37,533	242,617	280,150
Net Change in Fund Balance	(853,885)	(608,856)	(1,462,741)
Fund Balance Beginning of Year	1,236,394	1,370,988	2,607,382
Fund Balance End of Year	\$382,509	\$762,132	\$1,144,641

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

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.

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.

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

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.

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.

Education Jobs - To account for grant monies received from the Federal Government which focuses on saving or creating education jobs for the next two school years.

Race to the Top – To account for a competitive grant program designed to encourage and reward states that are creating the conditions for education innovation and reform; achieving significant improvement in student outcomes, including making substantial gains in student achievement, closing achievement gaps, improving high school graduation rates, and ensuring student preparation for success in college and careers.

Trotwood-Madison City School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012

	Other Grants	Classroom Facilities Maintenance	Extracurricular Activity	Auxiliary Services
Assets:				
Equity in Pooled Cash and Investments	\$1,955	\$582,999	\$12,472	\$78,853
Receivables:				
Taxes	0	128,597	0	0
Accounts	0	0	277	0
Intergovernmental	0	0	0	0
Interfund	0	0	0	0
Inventory	0	0	0	0
Total Assets	1,955	711,596	12,749	78,853
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	0	355	0	919
Accrued Wages and Benefits	0	0	0	10,329
Interfund Payable	421	0	0	0
Deferred Revenue	0	122,420	0	0
Total Liabilities	421	122,775	0	11,248
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	1,534	588,821	12,749	67,605
Unassigned	0	0	0	0
Total Fund Balances	1,534	588,821	12,749	67,605
Total Liabilities and Fund Balances	\$1,955	\$711,596	\$12,749	\$78,853

Management Information	Data Communications	School Net Professional Development	Ohio Reads	Miscellaneous State Grants	Title VIB / Preschool	Title I
\$4,776	\$0	\$0	\$26	\$3,663	\$0	\$1,970
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	103,074	216,434
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>4,776</u>	<u>0</u>	<u>0</u>	<u>26</u>	<u>3,663</u>	<u>103,074</u>	<u>218,404</u>
0	0	0	0	0	0	1,877
0	0	0	0	0	71,253	149,941
0	0	0	0	0	52,435	96,547
0	0	0	0	0	1,877	4,103
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>125,565</u>	<u>252,468</u>
0	0	0	0	0	0	0
4,776	0	0	26	3,663	0	0
0	0	0	0	0	(22,491)	(34,064)
<u>4,776</u>	<u>0</u>	<u>0</u>	<u>26</u>	<u>3,663</u>	<u>(22,491)</u>	<u>(34,064)</u>
<u>\$4,776</u>	<u>\$0</u>	<u>\$0</u>	<u>\$26</u>	<u>\$3,663</u>	<u>\$103,074</u>	<u>\$218,404</u>

Continued

Trotwood-Madison City School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012

	Title V	Drug-Free Schools	EHA Pre-School Grant	Title VI-R
Assets:				
Equity in Pooled Cash and Investments	\$0	\$0	\$0	\$0
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	1,468	49,059
Interfund	30	0	0	0
Inventory	0	0	0	0
Total Assets	30	0	1,468	49,059
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	0	0	0	0
Accrued Wages and Benefits	0	0	1,012	35,149
Interfund Payable	0	0	576	25,006
Deferred Revenue	0	0	66	0
Total Liabilities	0	0	1,654	60,155
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	30	0	0	0
Unassigned	0	0	(186)	(11,096)
Total Fund Balances	30	0	(186)	(11,096)
Total Liabilities and Fund Balances	\$30	\$0	\$1,468	\$49,059

Miscellaneous Federal Grants	Food Service	Public School Preschool	Fiscal Stabilization	Title II-D	Education Jobs	Race to the Top
\$5,953	\$53,252	\$0	\$2,236	\$0	\$39,748	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	19,432	0	9,746	0	44,407
0	0	0	0	0	0	0
0	12,108	0	0	0	0	0
<u>5,953</u>	<u>65,360</u>	<u>19,432</u>	<u>2,236</u>	<u>9,746</u>	<u>39,748</u>	<u>44,407</u>
0	23,632	0	0	0	0	0
0	113,065	5,956	0	0	69,821	24,850
0	121,269	21,193	0	3,182	0	25,349
0	0	756	0	6,014	0	653
<u>0</u>	<u>257,966</u>	<u>27,905</u>	<u>0</u>	<u>9,196</u>	<u>69,821</u>	<u>50,852</u>
0	12,108	0	0	0	0	0
5,953	0	0	2,236	550	0	0
0	(204,714)	(8,473)	0	0	(30,073)	(6,445)
<u>5,953</u>	<u>(192,606)</u>	<u>(8,473)</u>	<u>2,236</u>	<u>550</u>	<u>(30,073)</u>	<u>(6,445)</u>
<u>\$5,953</u>	<u>\$65,360</u>	<u>\$19,432</u>	<u>\$2,236</u>	<u>\$9,746</u>	<u>\$39,748</u>	<u>\$44,407</u>

Continued

Trotwood-Madison City School District, Ohio
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2012

	Total Nonmajor Special Revenue Funds
Assets:	
Equity in Pooled Cash and Investments	\$787,903
Receivables:	
Taxes	128,597
Accounts	277
Intergovernmental	443,620
Interfund	30
Inventory	12,108
Total Assets	1,372,535
Liabilities and Fund Balances:	
Liabilities:	
Accounts Payable	26,783
Accrued Wages and Benefits	481,376
Interfund Payable	345,978
Deferred Revenue	135,889
Total Liabilities	990,026
Fund Balances:	
Nonspendable	12,108
Restricted	687,943
Unassigned	(317,542)
Total Fund Balances	382,509
Total Liabilities and Fund Balances	\$1,372,535

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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, 2012

	Other Grants	Classroom Facilities Maintenance	Extracurricular Activity	Auxiliary Services
Revenues:				
Taxes	\$0	\$103,290	\$0	\$0
Tuition and Fees	0	0	24,584	0
Intergovernmental	0	17,265	0	258,488
Extracurricular Activities	0	0	154,605	0
Charges for Services	0	0	0	0
Other Revenues	0	0	0	0
Total Revenues	0	120,555	179,189	258,488
Expenditures:				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	0	0	0
Other	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	0	0	0
School Administration	0	0	162,519	0
Fiscal	0	1,122	0	0
Operations and Maintenance	0	105,275	0	0
Pupil Transportation	0	0	27,437	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	276,462
Extracurricular Activities	0	0	24,927	0
Total Expenditures	0	106,397	214,883	276,462
Excess of Revenues Over (Under) Expenditures	0	14,158	(35,694)	(17,974)
Other Financing Sources (Uses):				
Transfers In	0	0	37,494	0
Total Other Financing Sources (Uses)	0	0	37,494	0
Net Change in Fund Balance	0	14,158	1,800	(17,974)
Fund Balance Beginning of Year	1,534	574,663	10,949	85,579
Fund Balance End of Year	\$1,534	\$588,821	\$12,749	\$67,605

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
0	0	0	0	0	0	0
0	5,000	0	0	13,732	754,135	1,536,390
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	400	0	0	0	0	0
0	5,400	0	0	13,732	754,135	1,536,390
0	0	1	0	9,997	0	498,806
0	0	0	0	0	370,461	69,689
0	0	0	0	0	0	258,314
0	0	0	0	13,733	114,866	201,118
0	0	0	0	0	0	513,990
0	0	0	0	0	171,600	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
3,137	9,566	0	0	0	0	8,172
0	0	0	0	0	40,605	7,020
0	0	0	0	0	0	0
3,137	9,566	1	0	23,730	697,532	1,557,109
(3,137)	(4,166)	(1)	0	(9,998)	56,603	(20,719)
0	0	0	0	0	0	39
0	0	0	0	0	0	39
(3,137)	(4,166)	(1)	0	(9,998)	56,603	(20,680)
7,913	4,166	1	26	13,661	(79,094)	(13,384)
<u>\$4,776</u>	<u>\$0</u>	<u>\$0</u>	<u>\$26</u>	<u>\$3,663</u>	<u>(\$22,491)</u>	<u>(\$34,064)</u>

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, 2012

	Title V	Drug-Free Schools	EHA Pre-School Grant	Title VI-R
Revenues:				
Taxes	\$0	\$0	\$0	\$0
Tuition and Fees	0	0	0	0
Intergovernmental	0	9,836	13,656	228,715
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Other Revenues	0	0	0	0
Total Revenues	0	9,836	13,656	228,715
Expenditures:				
Current:				
Instruction:				
Regular	0	0	0	224,727
Special	0	0	7,576	0
Other	0	0	0	0
Support Services:				
Pupil	0	0	5,293	0
Instructional Staff	0	17	0	9,373
School Administration	0	0	0	0
Fiscal	0	0	0	0
Operations and Maintenance	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Total Expenditures	0	17	12,869	234,100
Excess of Revenues Over (Under) Expenditures	0	9,819	787	(5,385)
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	0	9,819	787	(5,385)
Fund Balance Beginning of Year	30	(9,819)	(973)	(5,711)
Fund Balance End of Year	\$30	\$0	(\$186)	(\$11,096)

Miscellaneous Federal Grants	Food Service	Public School Preschool	Fiscal Stabilization	Title II-D	Education Jobs	Race to the Top
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	1,438,133	119,244	0	110,507	426,299	270,586
0	0	0	0	0	0	0
0	138,700	0	0	0	0	0
0	0	0	0	0	0	0
0	1,576,833	119,244	0	110,507	426,299	270,586
0	0	0	458,912	105,069	316,157	0
0	0	0	54,810	0	6,172	0
0	0	0	0	0	0	0
0	0	0	177,168	0	0	0
0	0	0	23,593	1,366	110,683	276,717
0	995	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	1,732,688	114,850	0	0	0	0
0	0	0	0	0	0	0
0	1,733,683	114,850	714,483	106,435	433,012	276,717
0	(156,850)	4,394	(714,483)	4,072	(6,713)	(6,131)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	(156,850)	4,394	(714,483)	4,072	(6,713)	(6,131)
5,953	(35,756)	(12,867)	716,719	(3,522)	(23,360)	(314)
\$5,953	(\$192,606)	(\$8,473)	\$2,236	\$550	(\$30,073)	(\$6,445)

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, 2012

	Total Nonmajor Special Revenue Funds
Revenues:	
Taxes	\$103,290
Tuition and Fees	24,584
Intergovernmental	5,201,986
Extracurricular Activities	154,605
Charges for Services	138,700
Other Revenues	400
Total Revenues	<u>5,623,565</u>
Expenditures:	
Current:	
Instruction:	
Regular	1,613,669
Special	508,708
Other	258,314
Support Services:	
Pupil	512,178
Instructional Staff	935,739
School Administration	335,114
Fiscal	1,122
Operations and Maintenance	105,275
Pupil Transportation	27,437
Central	20,875
Operation of Non-Instructional Services	2,171,625
Extracurricular Activities	24,927
Total Expenditures	<u>6,514,983</u>
Excess of Revenues Over (Under) Expenditures	<u>(891,418)</u>
Other Financing Sources (Uses):	
Transfers In	37,533
Total Other Financing Sources (Uses)	<u>37,533</u>
Net Change in Fund Balance	(853,885)
Fund Balance Beginning of Year	<u>1,236,394</u>
Fund Balance End of Year	<u><u>\$382,509</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, 2012

	Other Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Support Services:			
Pupil	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	0	0	0
Other Financing Sources (Uses):			
Transfers In	106	106	0
Transfers (Out)	(1,955)	(106)	1,849
Total Other Financing Sources (Uses)	(1,849)	0	1,849
Net Change in Fund Balance	(1,849)	0	1,849
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,955	1,955	0
Fund Balance End of Year	\$106	\$1,955	\$1,849

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, 2012

	Classroom Facilities Maintenance Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$104,959	\$104,989	\$30
Intergovernmental	17,260	17,265	5
Total Revenues	<u>122,219</u>	<u>122,254</u>	<u>35</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	1,199	1,122	77
Operations and Maintenance	113,804	106,492	7,312
Total Expenditures	<u>115,003</u>	<u>107,614</u>	<u>7,389</u>
Net Change in Fund Balance	7,216	14,640	7,424
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>566,788</u>	<u>566,788</u>	<u>0</u>
Fund Balance End of Year	<u>\$574,004</u>	<u>\$581,428</u>	<u>\$7,424</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, 2012

	Extracurricular Activity Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$24,584	\$24,584	\$0
Extracurricular Activities	157,419	157,419	0
Total Revenues	182,003	182,003	0
Expenditures:			
Current:			
Support Services:			
School Administration	178,991	162,519	16,472
Pupil Transportation	30,218	27,437	2,781
Extracurricular Activities	27,453	24,927	2,526
Total Expenditures	236,662	214,883	21,779
Excess of Revenues Over (Under) Expenditures	(54,659)	(32,880)	21,779
Other Financing Sources (Uses):			
Advances (Out)	(6,117)	(5,554)	563
Transfers In	40,346	40,346	0
Transfers (Out)	(3,142)	(2,853)	289
Total Other Financing Sources (Uses)	31,087	31,939	852
Net Change in Fund Balance	(23,572)	(941)	22,631
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	13,411	13,411	0
Fund Balance End of Year	(\$10,161)	\$12,470	\$22,631

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, 2012

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$273,375	\$258,488	(\$14,887)
Total Revenues	273,375	258,488	(14,887)
Expenditures:			
Current:			
Operation of Non-Instructional Services	429,713	272,335	157,378
Total Expenditures	429,713	272,335	157,378
Net Change in Fund Balance	(156,338)	(13,847)	142,491
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	92,698	92,698	0
Fund Balance End of Year	(\$63,640)	\$78,851	\$142,491

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, 2012

	Management Information Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$7,912	\$0	(\$7,912)
Total Revenues	7,912	0	(7,912)
Expenditures:			
Current:			
Support Services:			
Central	3,200	3,137	63
Total Expenditures	3,200	3,137	63
Net Change in Fund Balance	4,712	(3,137)	(7,849)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	7,913	7,913	0
Fund Balance End of Year	\$12,625	\$4,776	(\$7,849)

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, 2012

	Data Communications Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$5,400	\$5,400	\$0
Other Revenues	400	400	0
Total Revenues	5,800	5,800	0
Expenditures:			
Current:			
Support Services:			
Central	13,332	9,566	3,766
Total Expenditures	13,332	9,566	3,766
Net Change in Fund Balance	(7,532)	(3,766)	3,766
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,766	3,766	0
Fund Balance End of Year	(\$3,766)	\$0	\$3,766

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, 2012

	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	1	(1)
Total Expenditures	0	1	(1)
Net Change in Fund Balance	0	(1)	(1)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1	1	0
Fund Balance End of Year	\$1	\$0	(\$1)

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, 2012

	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, 2012

	Miscellaneous State Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$13,732	\$13,732	\$0
Total Revenues	13,732	13,732	0
Expenditures:			
Current:			
Instruction:			
Regular	9,997	9,997	0
Support Services:			
Pupil	13,733	13,733	0
Total Expenditures	23,730	23,730	0
Net Change in Fund Balance	(9,998)	(9,998)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	13,662	13,662	0
Fund Balance End of Year	\$3,664	\$3,664	\$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, 2012

	Title VIB / Preschool Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$841,342	\$794,148	(\$47,194)
Total Revenues	<u>841,342</u>	<u>794,148</u>	<u>(47,194)</u>
Expenditures:			
Current:			
Instruction:			
Special	442,183	432,187	9,996
Support Services:			
Pupil	129,620	126,690	2,930
School Administration	175,569	171,600	3,969
Operation of Non-Instructional Services	<u>43,103</u>	<u>42,129</u>	<u>974</u>
Total Expenditures	<u>790,475</u>	<u>772,606</u>	<u>17,869</u>
Excess of Revenues Over (Under) Expenditures	<u>50,867</u>	<u>21,542</u>	<u>(29,325)</u>
Other Financing Sources (Uses):			
Advances In	55,551	52,435	(3,116)
Advances (Out)	(75,688)	(73,977)	1,711
Transfers In	20,803	19,636	(1,167)
Transfers (Out)	<u>(20,090)</u>	<u>(19,636)</u>	<u>454</u>
Total Other Financing Sources (Uses)	<u>(19,424)</u>	<u>(21,542)</u>	<u>(2,118)</u>
Net Change in Fund Balance	31,443	0	(31,443)
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>\$31,443</u>	<u>\$0</u>	<u>(\$31,443)</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, 2012

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,896,960	\$1,653,424	(\$243,536)
Total Revenues	1,896,960	1,653,424	(243,536)
Expenditures:			
Current:			
Instruction:			
Regular	486,328	427,673	58,655
Special	240,628	211,606	29,022
Other	278,242	244,684	33,558
Support Services:			
Pupil	249,550	219,452	30,098
Instructional Staff	586,763	515,995	70,768
Central	9,293	8,172	1,121
Operation of Non-Instructional Services	7,983	7,020	963
Total Expenditures	1,858,787	1,634,602	224,185
Excess of Revenues Over (Under) Expenditures	38,173	18,822	(19,351)
Other Financing Sources (Uses):			
Advances In	110,765	96,545	(14,220)
Advances (Out)	(132,303)	(116,346)	15,957
Transfers In	145,634	126,937	(18,697)
Transfers (Out)	(144,302)	(126,898)	17,404
Total Other Financing Sources (Uses)	(20,206)	(19,762)	444
Net Change in Fund Balance	17,967	(940)	(18,907)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	951	951	0
Fund Balance End of Year	\$18,918	\$11	(\$18,907)

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, 2012

	Title V 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)	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, 2012

	Drug-Free Schools Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$9,836	\$9,836	\$0
Total Revenues	9,836	9,836	0
Expenditures:			
Current:			
Instruction:			
Regular	682	644	38
Total Expenditures	682	644	38
Excess of Revenues Over (Under) Expenditures	9,154	9,192	38
Other Financing Sources (Uses):			
Advances (Out)	(10,404)	(9,817)	587
Total Other Financing Sources (Uses)	(10,404)	(9,817)	587
Net Change in Fund Balance	(1,250)	(625)	625
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	625	625	0
Fund Balance End of Year	(\$625)	\$0	\$625

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, 2012

	EHA Pre-School Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$13,064	\$12,254	(\$810)
Total Revenues	13,064	12,254	(810)
Expenditures:			
Current:			
Instruction:			
Special	6,989	6,563	426
Support Services:			
Pupil	6,582	6,179	403
Total Expenditures	13,571	12,742	829
Excess of Revenues Over (Under) Expenditures	(507)	(488)	19
Other Financing Sources (Uses):			
Advances In	614	576	(38)
Advances (Out)	(311)	(292)	19
Transfers In	712	668	(44)
Transfers (Out)	(712)	(668)	44
Total Other Financing Sources (Uses)	303	284	(19)
Net Change in Fund Balance	(204)	(204)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	204	204	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, 2012

	Title VI-R Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$258,861	\$237,139	(\$21,722)
Total Revenues	258,861	237,139	(21,722)
Expenditures:			
Current:			
Instruction:			
Regular	246,876	226,350	20,526
Support Services:			
Instructional Staff	10,223	9,373	850
Total Expenditures	257,099	235,723	21,376
Excess of Revenues Over (Under) Expenditures	1,762	1,416	(346)
Other Financing Sources (Uses):			
Advances In	27,297	25,006	(2,291)
Advances (Out)	(28,821)	(26,425)	2,396
Transfers In	484	443	(41)
Transfers (Out)	(483)	(443)	40
Total Other Financing Sources (Uses)	(1,523)	(1,419)	104
Net Change in Fund Balance	239	(3)	(242)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3	3	0
Fund Balance End of Year	\$242	\$0	(\$242)

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, 2012

	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	5,953	0	5,953
Total Expenditures	5,953	0	5,953
Net Change in Fund Balance	(5,953)	0	5,953
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,953	5,953	0
Fund Balance End of Year	\$0	\$5,953	\$5,953

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, 2012

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,403,447	\$1,403,447	\$0
Charges for Services	138,700	138,700	0
Total Revenues	1,542,147	1,542,147	0
Expenditures:			
Current:			
Support Services:			
School Administration	1,059	995	64
Operation of Non-Instructional Services	1,827,885	1,718,013	109,872
Total Expenditures	1,828,944	1,719,008	109,936
Excess of Revenues Over (Under) Expenditures	(286,797)	(176,861)	109,936
Other Financing Sources (Uses):			
Advances In	121,269	121,269	0
Transfers In	155,245	155,245	0
Transfers (Out)	(165,173)	(155,245)	9,928
Total Other Financing Sources (Uses)	111,341	121,269	9,928
Net Change in Fund Balance	(175,456)	(55,592)	119,864
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	108,848	108,848	0
Fund Balance End of Year	(\$66,608)	\$53,256	\$119,864

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, 2012

	Public School Preschool Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$134,895	\$129,790	(\$5,105)
Total Revenues	134,895	129,790	(5,105)
Expenditures:			
Current:			
Operation of Non-Instructional Services	136,343	131,184	5,159
Total Expenditures	136,343	131,184	5,159
Other Financing Sources (Uses):			
Advances In	14,798	14,238	(560)
Advances (Out)	(13,370)	(12,864)	506
Total Other Financing Sources (Uses)	1,428	1,374	(54)
Net Change in Fund Balance	(20)	(20)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	20	20	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, 2012

	Fiscal Stabilization Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	678,010	676,412	1,598
Special	54,939	54,810	129
Other	10,169	10,145	24
Support Services:			
Pupil	181,894	181,466	428
Instructional Staff	23,649	23,593	56
Total Expenditures	948,661	946,426	2,235
Net Change in Fund Balance	(948,661)	(946,426)	2,235
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	948,661	948,661	0
Fund Balance End of Year	\$0	\$2,235	\$2,235

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, 2012

	Title II-D Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$120,428	\$114,054	(\$6,374)
Total Revenues	120,428	114,054	(6,374)
Expenditures:			
Current:			
Instruction:			
Regular	110,630	105,067	5,563
Support Services:			
Instructional Staff	9,529	9,050	479
Total Expenditures	120,159	114,117	6,042
Excess of Revenues Over (Under) Expenditures	269	(63)	(332)
Other Financing Sources (Uses):			
Advances In	3,360	3,182	(178)
Advances (Out)	(8,142)	(7,733)	409
Transfers In	203	192	(11)
Transfers (Out)	(202)	(192)	10
Total Other Financing Sources (Uses)	(4,781)	(4,551)	230
Net Change in Fund Balance	(4,512)	(4,614)	(102)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,614	4,614	0
Fund Balance End of Year	\$102	\$0	(\$102)

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, 2012

	Education Jobs Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	610,866	610,866	0
Total Revenues	610,866	610,866	0
Expenditures:			
Current:			
Instruction:			
Regular	388,775	365,512	23,263
Special	8,844	8,315	529
Support Services:			
Instructional Staff	99,766	93,796	5,970
Total Expenditures	497,385	467,623	29,762
Excess of Revenues Over (Under) Expenditures	113,481	143,243	29,762
Other Financing Sources (Uses):			
Advances (Out)	(110,083)	(103,496)	6,587
Transfers In	48,692	48,692	0
Transfers (Out)	(51,791)	(48,692)	3,099
Total Other Financing Sources (Uses)	(113,182)	(103,496)	9,686
Net Change in Fund Balance	299	39,747	39,448
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$299	\$39,747	\$39,448

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, 2012

	Race to the Top Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$278,720	\$226,832	(\$51,888)
Total Revenues	278,720	226,832	(51,888)
Expenditures:			
Current:			
Support Services:			
Instructional Staff	285,579	251,867	33,712
Total Expenditures	285,579	251,867	33,712
Excess of Revenues Over (Under) Expenditures	(6,859)	(25,035)	(18,176)
Other Financing Sources (Uses):			
Advances In	31,148	25,349	(5,799)
Advances (Out)	(356)	(314)	42
Total Other Financing Sources (Uses)	30,792	25,035	(5,757)
Net Change in Fund Balance	23,933	0	(23,933)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$23,933	\$0	(\$23,933)

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.

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.

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, 2012

	Permanent Improvement	Building	Classroom Facilities	SchoolNet Plus
Assets:				
Equity in Pooled Cash and Investments	\$99,128	\$669,192	\$100	\$0
Cash and Cash Equivalents with Fiscal Agent	0	182,550	0	0
Receivables:				
Taxes	645,557	0	0	0
Interfund	0	0	0	8,619
Total Assets	<u>744,685</u>	<u>851,742</u>	<u>100</u>	<u>8,619</u>
Liabilities and Fund Balances:				
Liabilities:				
Retainage Payable	0	182,550	0	0
Interfund Payable	0	0	45,917	0
Deferred Revenue	614,547	0	0	0
Total Liabilities	<u>614,547</u>	<u>182,550</u>	<u>45,917</u>	<u>0</u>
Fund Balances:				
Restricted	130,138	669,192	0	8,619
Unassigned	0	0	(45,817)	0
Total Fund Balances	<u>130,138</u>	<u>669,192</u>	<u>(45,817)</u>	<u>8,619</u>
Total Liabilities and Fund Balances	<u>\$744,685</u>	<u>\$851,742</u>	<u>\$100</u>	<u>\$8,619</u>

<u>Total</u> <u>Nonmajor</u> <u>Capital Projects</u> <u>Funds</u>
\$768,420
182,550
645,557
<u>8,619</u>
<u>1,605,146</u>
182,550
45,917
<u>614,547</u>
<u>843,014</u>
807,949
<u>(45,817)</u>
<u>762,132</u>
<u>\$1,605,146</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, 2012

	Permanent Improvement	Building	Classroom Facilities	SchoolNet Plus
Revenues:				
Taxes	\$518,518	\$0	\$0	\$0
Investment Earnings	0	1,902	\$0	0
Intergovernmental	86,671	0	0	0
Total Revenues	<u>605,189</u>	<u>1,902</u>	<u>0</u>	<u>0</u>
Expenditures:				
Current:				
Support Services:				
Fiscal	7,892	693	0	0
Central	130,699	0	0	0
Capital Outlay	0	561,078	126,954	0
Debt Service:				
Principal Retirement	220,000	0	0	0
Interest and Fiscal Charges	411,248	0	0	0
Total Expenditures	<u>769,839</u>	<u>561,771</u>	<u>126,954</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(164,650)</u>	<u>(559,869)</u>	<u>(126,954)</u>	<u>0</u>
Other Financing Sources (Uses):				
Transfers In	242,617	0	0	0
Total Other Financing Sources (Uses)	<u>242,617</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	77,967	(559,869)	(126,954)	0
Fund Balance Beginning of Year	<u>52,171</u>	<u>1,229,061</u>	<u>81,137</u>	<u>8,619</u>
Fund Balance End of Year	<u><u>\$130,138</u></u>	<u><u>\$669,192</u></u>	<u><u>(\$45,817)</u></u>	<u><u>\$8,619</u></u>

<u> <u> Total Nonmajor Capital Projects Funds </u> </u>
\$518,518 1,902 <u>86,671</u>
<u>607,091</u>
 8,585 130,699 688,032 220,000 <u>411,248</u>
<u>1,458,564</u>
<u>(851,473)</u>
 <u>242,617</u>
<u>242,617</u>
(608,856)
<u>1,370,988</u>
<u> <u>\$762,132</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, 2012

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$526,980	\$527,048	\$68
Intergovernmental	86,660	86,671	11
Total Revenues	<u>613,640</u>	<u>613,719</u>	<u>79</u>
Expenditures:			
Current:			
Instruction:			
Support Services:			
Fiscal	7,892	7,892	0
Central	130,699	130,699	0
Debt Service:			
Principal Retirement	220,000	220,000	0
Interest and Fiscal Charges	411,248	411,248	0
Total Expenditures	<u>769,839</u>	<u>769,839</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(156,199)</u>	<u>(156,120)</u>	<u>79</u>
Other Financing Sources (Uses):			
Transfers In	242,586	242,617	31
Total Other Financing Sources (Uses)	<u>242,586</u>	<u>242,617</u>	<u>31</u>
Net Change in Fund Balance	86,387	86,497	110
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>12,626</u>	<u>12,626</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$99,013</u></u>	<u><u>\$99,123</u></u>	<u><u>\$110</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, 2012

	Building Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$1,902	\$1,902	\$0
Other Revenues	106,606	106,606	0
Total Revenues	108,508	108,508	0
Expenditures:			
Current:			
Support Services:			
Fiscal	1,813	693	1,120
Capital Outlay	1,812,383	692,884	1,119,499
Total Expenditures	1,814,196	693,577	1,120,619
Excess of Revenues Over (Under) Expenditures	(1,705,688)	(585,069)	1,120,619
Other Financing Sources (Uses):			
Advances (Out)	(1,027,388)	(392,776)	634,612
Total Other Financing Sources (Uses)	(1,027,388)	(392,776)	634,612
Net Change in Fund Balance	(2,733,076)	(977,845)	1,755,231
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,646,464	1,646,464	0
Fund Balance End of Year	(\$1,086,612)	\$668,619	\$1,755,231

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, 2012

	Classroom Facilities Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Capital Outlay	254,108	126,954	127,154
Total Expenditures	254,108	126,954	127,154
Excess of Revenues Over (Under) Expenditures	(254,108)	(126,954)	127,154
Net Change in Fund Balance	(254,108)	(126,954)	127,154
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	127,054	127,054	0
Fund Balance End of Year	(\$127,054)	\$100	\$127,154

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, 2012

	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

OTHER GENERAL FUNDS

With the implementation of GASB Statement No. 54, certain funds that the District prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue funds and have been included with the General Fund in the governmental fund financial statements. The District has only presented the budget schedules for these 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.

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.

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, 2012

	Public School Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$19,737	\$19,737	\$0
Other Revenues	54,512	54,512	0
Total Revenues	74,249	74,249	0
Expenditures:			
Current:			
Support Services:			
Extracurricular Activities	74,496	66,486	8,010
Total Expenditures	74,496	66,486	8,010
Excess of Revenues Over (Under) Expenditures	(247)	7,763	8,010
Other Financing Sources (Uses):			
Transfers In	7,930	7,930	0
Transfers (Out)	(8,885)	(7,930)	955
Total Other Financing Sources (Uses)	(955)	0	955
Net Change in Fund Balance	(1,202)	7,763	8,965
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	18,165	18,165	0
Fund Balance End of Year	\$16,963	\$25,928	\$8,965

(1) This fund is combined with the General fund in GAAP Statements.

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, 2012

	Uniform School Supply Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$28,417	\$28,417	\$0
Total Revenues	28,417	28,417	0
Expenditures:			
Current:			
Instruction:			
Regular	68,833	68,833	0
Total Expenditures	68,833	68,833	0
Excess of Revenues Over (Under) Expenditures	(40,416)	(40,416)	0
Other Financing Sources (Uses):			
Advances In	40,416	40,416	0
Total Other Financing Sources (Uses)	40,416	40,416	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

(1) This fund is combined with the General fund in GAAP Statements.

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, 2012

	Student Managed Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$13,589	\$25,156	\$24,934	\$13,811
Total Assets	<u>13,589</u>	<u>25,156</u>	<u>24,934</u>	<u>13,811</u>
Liabilities:				
Other Liabilities	13,589	25,156	24,934	13,811
Total Liabilities	<u>\$13,589</u>	<u>\$25,156</u>	<u>\$24,934</u>	<u>\$13,811</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 School District's ability to generate its most significant local revenue source(s), the property tax.

DEBT CAPACITY: These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School 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 School 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 School District's financial report relates to the services the School 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.

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$47,162,494	\$46,025,976
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	5,545,426	4,916,405
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	13,231,618	15,211,536
Total Government Net Assets	\$11,041,483	\$15,150,957	\$17,854,938	\$36,254,942	\$60,354,788	\$64,788,105	\$66,755,481	\$65,944,701	\$65,939,538	\$66,153,917

Source: District Records

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$18,318,100	\$16,264,686
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	2,279,513	2,239,937
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	1,515,477	1,915,261
General Administration	118,082	47,559	39,136	47,089	54,453	50,283	43,159	50,415	42,389	63,178
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	2,666,021	2,707,369
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	1,164,298	1,643,741
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	3,093,825	3,069,944
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	1,477,769	1,788,916
Central	762,348	888,264	1,760,909	1,955,050	1,405,039	1,393,523	1,466,763	1,804,892	1,326,745	1,167,037
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	6,873,067	6,960,950
Extracurricular Activities	495,499	664,663	649,110	640,491	633,568	512,227	532,961	572,475	536,277	571,745
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	2,087,456	2,350,627
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	41,380,937	40,749,391
Program Revenues										
Governmental Activities:										
Charges for Services										
Instruction	322,933	439,380	497,567	388,807	335,259	418,618	836,903	366,210	404,323	337,854
Pupil	2,463	649	0	0	2,854	0	0	0	0	0
Instructional Staff	350	93	0	0	8,602	0	0	0	0	0
School Administration	3,356	15,389	99,644	185,082	265,487	106,902	126,760	103,451	121,603	135,603
Fiscal	0	0	0	0	0	0	0	78	0	0
Operations and Maintenance	11,024	1,601	1,248	23,058	0	0	22,080	15,155	24,810	20,051
Pupil Transportation	72,454	0	0	0	0	0	0	0	0	22,879
Operation of Non-Instructional Services	0	497,182	0	458,829	397,324	403,329	334,282	197,948	156,201	138,620
Extracurricular Activities	112,438	138,622	76,025	76,104	107,602	38,134	17,924	21,875	32,714	41,735
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	9,116,882	7,213,787
Capital Grants and Contributions	0	26,165	1,750,966	22,314,973	23,812,365	1,954,673	39,582	0	0	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	9,856,533	7,910,529
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)	(\$31,524,404)	(\$32,838,862)

Source: District Records

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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)	(\$31,524,404)	(\$32,838,862)
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	8,491,828	8,486,452
Property Taxes Levied for Special Revenue Purposes	0	0	0	232,700	126,558	122,421	113,835	125,002	521,176	107,103
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	1,570,381	1,743,466
Property Taxes Levied for Capital Projects Purposes	757,194	723,340	652,540	639,349	643,872	614,554	571,444	661,417	392,297	537,660
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	20,907,721	21,025,020
Revenue in Lieu of Taxes	0	0	0	0	21,000	50,068	50,704	55,770	55,770	32,677
Investment Earnings	866,183	655,825	2,067,063	443,894	1,434,501	850,510	260,220	51,592	22,071	150,211
Unrestricted Contributions	0	0	0	985	20,707	0	0	0	0	0
Other Revenues	566,453	727,282	1,037,593	115,406	443,663	353,159	633,574	648,600	430,492	970,652
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	32,391,736	33,053,241
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)	\$867,332	\$214,379

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011 (1)	2012
General Fund										
Reserved	\$1,010,303	\$713,517	\$1,196,084	\$1,107,565	\$825,822	\$1,156,963	\$623,364	\$625,396	\$0	\$0
Unreserved	2,526,726	4,479,415	5,455,335	4,411,577	4,428,343	5,742,007	7,108,640	8,184,551	0	0
Assigned									0	24,002
Unassigned									12,428,172	14,688,439
Total General Fund	3,537,029	5,192,932	6,651,419	5,519,142	5,254,165	6,898,970	7,732,004	8,809,947	12,428,172	14,712,441
All Other Governmental Funds										
Reserved	400,193	334,670	2,190,254	10,257,922	8,373,535	1,653,678	1,347,438	4,129,933	0	0
Unreserved, Reported in:										
Capital Project Funds	33,294,871	31,805,045	12,265,489	14,305,618	8,366,343	6,965,330	6,579,045	1,038,865	0	0
Debt Service Funds	401,810	568,931	681,420	849,564	1,068,768	1,470,348	2,096,837	2,426,392	0	0
Special Revenue Funds	(1,332,398)	(476,493)	(552,326)	499,822	772,789	669,968	298,725	521,468	0	0
Nonspendable									16,046	12,108
Restricted									5,658,044	4,455,385
Committed									8,619	0
Unassigned									(200,846)	(363,359)
Total All Other Governmental Funds	\$32,764,476	\$32,232,153	\$14,584,837	\$25,912,926	\$18,581,435	\$10,759,324	\$10,322,045	\$8,116,658	\$5,481,863	\$4,104,134

Source: District Records

(1) - Prior year amounts have not been restated for the implementation of GASB Statement 54. The change in the classification of fund balance amounts in 2011 are discussed in the Notes to the Financial Statements.

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Taxes	\$10,983,365	\$12,272,287	\$13,112,188	\$13,002,537	\$13,135,821	\$12,289,706	\$10,790,388	\$11,250,188	\$11,110,044	\$10,404,685
Revenue in Lieu of Taxes	0	0	0	0	0	0	50,704	55,770	55,770	32,677
Tuition and Fees	349,333	438,388	545,451	269,525	317,954	400,703	836,903	320,073	404,323	362,438
Investment Earnings	866,182	655,825	641,432	924,112	1,434,501	850,510	260,220	51,591	22,071	14,269
Intergovernmental	20,741,782	26,301,097	28,972,539	50,726,377	52,963,037	32,546,585	29,296,663	30,631,937	30,693,627	28,279,307
Extracurricular Activities	122,263	128,222	133,818	212,400	390,997	166,285	147,943	125,404	149,389	175,554
Charges for Services	0	524,705	0	458,829	397,324	382,401	331,023	244,085	161,129	138,700
Other Revenues	577,477	704,654	891,503	231,264	476,371	370,752	604,949	663,754	455,304	916,691
Total Revenues	\$33,640,402	\$41,025,178	\$44,296,931	\$65,825,044	\$69,116,005	\$47,006,942	\$42,318,793	\$43,342,802	\$43,051,657	\$40,324,321

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Regular Instruction	\$11,143,502	\$11,669,388	\$12,498,772	\$16,916,648	\$16,975,408	\$16,401,807	\$16,037,204	\$16,745,607	\$10,566,919	\$9,813,238
Special Instruction	6,845,033	8,676,652	8,535,025	4,500,000	4,935,557	3,980,648	4,585,705	4,670,027	4,383,057	3,462,997
Vocational Instruction	73,277	68,498	8,128	0	0	0	0	0	0	0
Other Instruction	46,784	97,987	62,674	520,563	705,963	1,366,552	465,724	824,641	491,370	260,105
Pupil	1,513,542	1,434,751	1,762,939	2,066,939	1,987,776	2,280,378	2,267,017	2,202,682	2,284,745	2,247,544
Instructional Staff	2,053,022	1,821,391	2,570,799	3,096,595	2,662,647	2,514,420	1,970,368	2,094,894	1,542,735	1,847,579
General Administration	115,555	45,032	36,609	45,787	54,335	50,283	43,159	50,415	42,389	63,178
School Administration	2,533,275	2,471,079	2,688,950	2,682,576	2,633,351	2,573,388	2,596,684	2,358,583	2,523,369	2,578,502
Fiscal	684,529	864,654	703,508	1,044,601	1,479,668	939,716	801,436	623,377	668,293	1,139,259
Business	223,745	224,818	231,696	241,799	261,524	256,283	436,387	578,275	503,894	479,879
Operations and Maintenance	2,250,885	2,394,250	2,595,880	2,929,502	3,022,276	3,506,620	3,260,090	3,376,876	3,043,990	2,967,055
Pupil Transportation	1,320,799	1,532,190	1,700,623	1,718,858	1,579,059	1,794,266	1,498,248	1,491,018	1,518,679	1,684,363
Central	1,042,194	1,198,833	1,582,291	1,778,091	1,244,990	1,353,478	1,452,270	1,736,597	1,355,321	1,164,177
Operation of Non-Instructional Service	154,267	1,797,240	1,894,853	1,812,050	1,988,417	1,981,824	1,942,921	2,174,086	6,955,465	6,840,074
Extracurricular Activities	713,357	618,822	607,482	627,603	609,521	508,059	523,823	501,411	517,460	522,624
Capital Outlay	2,570,080	12,225,982	19,818,735	12,718,076	32,549,109	10,182,158	1,638,343	2,573,793	3,691,599	1,822,403
Debt Service:										
Principal Retirement	371,500	950,950	989,500	949,500	500,875	815,000	665,000	740,000	790,000	928,786
Interest and Fiscal Charges	941,827	1,832,630	1,953,797	2,032,252	2,481,773	1,729,368	1,754,000	1,724,964	1,697,442	1,681,205
Bond Issuance Costs	0	0	0	0	0	296,586	0	0	0	0
Total Expenditures	\$34,597,173	\$49,925,147	\$60,242,261	\$55,681,440	\$75,672,249	\$52,530,834	\$41,938,379	\$44,467,246	\$42,576,727	\$39,502,968

Debt Service as a Percentage of Noncapital Expenditures 4.14% 7.49% 7.28% 6.95% 6.92% 7.48% 6.48% 5.95% 6.46% 6.90%

Source: District Records

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Other Financing Sources (Uses):										
Issuance of Long Term Debt	\$35,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Issuance of Capital Leases	0	0	0	0	0	0	0	0	500,000	0
Issuance of Refunding Certificate of Participation	0	0	0	0	0	10,000,000	0	0	0	0
Payments to Refunding Bond Escrow Agent	0	0	0	0	0	(9,796,000)	0	0	0	0
Premium on Refunding Bonds	0	0	0	0	0	92,586	0	0	0	0
Proceeds from the Sale of Capital Assets	0	594	549	52,207	0	0	15,341	0	5,500	85,187
Transfers In	35,185,398	215,000	320,277	205,809	561,051	227,513	332,573	448,118	527,272	280,150
Transfers (Out)	(35,734,286)	(215,000)	(320,277)	(205,809)	(1,601,275)	(1,177,513)	(332,573)	(448,118)	(527,272)	(280,150)
Total Other Financing Sources (Uses)	34,451,112	594	549	52,207	(1,040,224)	(653,414)	15,341	0	505,500	85,187
Net Change in Fund Balances	\$33,494,341	(\$8,899,375)	(\$15,944,781)	\$10,195,811	(\$7,596,468)	(\$6,177,306)	\$395,755	(\$1,124,444)	\$980,430	\$906,540

Source: District Records

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 Assessed Value	Tangible Personal Property Assessed Value (2)	Public Utilities Personal Assessed Value	Total Assessed Value	Total Estimated Actual Value	Total Direct Rate
2002	\$220,961,430	\$22,837,365	\$10,706,700	\$254,505,495	\$750,138,604	52.91
2003	252,118,370	20,069,465	10,870,750	283,058,585	828,534,150	61.05
2004	251,199,900	20,422,178	10,644,960	282,267,038	826,740,905	60.85
2005	251,505,430	19,182,894	10,646,310	281,334,634	822,659,739	60.70
2006	276,340,510	14,182,989	10,179,700	300,703,199	834,598,287	60.06
2007	284,288,750	13,013,167	10,205,470	307,507,387	883,620,249	60.06
2008	282,842,600	7,900,867	7,921,430	298,664,897	891,672,323	60.06
2009	282,219,360	1,453,030	7,953,810	291,626,200	817,280,027	60.06
2010	274,457,540	226,430	7,852,180	282,536,150	808,858,826	60.06
2011	271,080,890	0	8,208,170	279,289,060	799,170,886	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
- (2) - House Bill 66 phased out tangible personal property with the last collection during 2010.

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.

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
2002	49.76	0.00	3.15	0.00	52.91	17.24	17.39	10.00	0.26	2.58
2003	49.29	8.61	3.15	0.00	61.05	17.24	17.39	10.00	0.26	2.58
2004	49.09	8.61	3.15	0.00	60.85	18.24	17.39	10.00	0.26	2.58
2005	48.94	8.61	3.15	0.00	60.70	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	18.24	17.39	10.00	1.25	2.58
2008	48.94	8.11	2.51	0.50	60.06	20.24	17.39	10.00	1.25	2.58
2009	48.94	8.11	2.51	0.50	60.06	20.94	16.65	10.00	1.25	2.58
2010	48.94	8.11	2.51	0.50	60.06	20.94	19.65	10.00	1.75	2.58
2011	48.94	8.11	2.51	0.50	60.06	20.94	19.65	10.00	1.75	2.58

Source: Montgomery County Auditor

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

Taxpayer	2011	
	Tangible Personal & Real Property	Percentage of Total Assessed Value
Dayton Power and Light Company	\$6,706,840	2.40%
Dayton Healthcare	5,001,620	1.79%
Salem Square Improvement	4,337,890	1.55%
Corvus Trotwood LLC	4,136,500	1.48%
Shiloh Apartments Limited	2,878,950	1.03%
Woodland Hills Associate	2,842,400	1.02%
Westbrooke Village	2,264,550	0.81%
Shiloh Springs, LP	2,003,530	0.72%
Lowes Home Center Inc.	1,957,620	0.70%
Belle Meadows Associates	1,904,200	0.68%
Total Principal Taxpayers	34,034,100	12.19%
All Other Taxpayers	245,254,960	87.81%
Total All Taxpayers	\$279,289,060	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	228,537,659	76.53%
Total All Taxpayers	\$300,703,199	100.00%

Source: Montgomery County Auditor

(1) - Current and six 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
2002	\$10,897,990	\$9,775,363	89.70%	\$452,314	\$10,227,677	93.85%
2003	14,314,900	12,995,093	90.78%	922,714	13,917,807	97.23%
2004	14,024,868	12,898,028	91.97%	1,056,220	13,954,248	99.50%
2005	14,324,332	12,879,481	89.91%	1,129,154	14,008,635	97.80%
2006	14,364,018	13,072,198	91.01%	1,618,147	14,690,345	102.27%
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%
2010	13,838,299	11,985,759	86.61%	977,038	12,962,797	93.67%
2011	13,305,377	11,952,697	89.83%	498,489	12,451,186	93.58%

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

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				
2003	\$35,728,375	\$111,450	\$590,000	\$36,429,825	4.86%	0.21%	\$1,187
2004	35,017,827	10,129,000	400,000	45,546,827	5.50%	0.26%	1,462
2005	34,191,565	10,046,000	205,000	44,442,565	5.38%	0.26%	1,409
2006	33,439,429	9,943,000	0	43,382,429	5.27%	0.24%	1,339
2007	33,196,531	9,796,000	0	42,992,531	5.15%	0.23%	1,256
2008	33,754,042	9,919,279	0	43,673,321	4.94%	0.23%	1,243
2009	33,539,143	9,720,972	0	43,260,115	4.85%	0.22%	1,194
2010	33,316,488	9,512,665	0	42,829,153	5.24%	0.23%	1,218
2011	33,106,709	9,794,358	0	42,901,067	5.30%	0.22%	1,188
2012	32,918,033	9,477,265	0	42,395,298	5.30%	0.21%	1,125

Source: District Records

N/A - Information not available

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2012 is calendar year 2011)

(2) - On the calendar year basis

Trotwood-Madison City School District, Ohio
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2012
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Overlapping Debt:			
Montgomery County	\$3,549,923	2.51%	\$89,103
City of Clayton	2,414,999	2.50%	60,375
City of Dayton	34,120,000	0.41%	139,892
City of Trotwood	12,410,000	81.16%	10,071,956
Miami Valley Career Joint Vocational School District	6,635,000	3.55%	235,543
Miami Valley Regional Transit Authority Misc	920,000	2.51%	23,092
Subtotal, Overlapping Debt	60,049,922		10,619,961
District Direct Debt	29,969,987	100.00%	29,969,987
Total Direct and Overlapping Debt	\$90,019,909		\$40,589,948

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 2012

Assessed value (1)	\$279,289,060
Debt limit (9% of assessed value)	25,136,015
Debt applicable to limit	29,969,987
Legal debt margin	<u><u>(\$4,833,972)</u></u>

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$22,905,495	\$25,475,273	\$25,404,033	\$25,320,117	\$27,675,665	\$26,879,841	\$26,246,358	\$25,428,254	\$25,173,883	\$25,136,015
Total Net Debt Applicable to Limit	35,000,000	34,813,000	34,006,500	33,160,000	32,809,987	32,164,987	31,694,987	31,159,987	30,584,987	29,969,987
Legal Debt Margin	<u><u>\$22,567,672</u></u>	<u><u>(\$12,351,751)</u></u>	<u><u>(\$12,094,505)</u></u>	<u><u>(\$9,337,727)</u></u>	<u><u>(\$8,602,467)</u></u>	<u><u>(\$7,839,883)</u></u>	<u><u>(\$5,285,146)</u></u>	<u><u>(\$5,448,629)</u></u>	<u><u>(\$5,731,734)</u></u>	<u><u>(\$4,833,972)</u></u>

Total Net Debt Applicable to the Limit	152.80%
as a Percentage of Debt Limit	136.65%
	133.86%
	130.96%
	118.55%
	119.66%
	120.76%
	122.54%
	121.49%
	119.23%

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2012 is calendar year 2011)

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)
2002	27,420	\$16,972,520	\$30,682	5.8%
2003	27,070	17,193,808	31,163	6.4%
2004	27,070	17,335,040	31,535	6.6%
2005	27,070	17,717,911	32,392	6.0%
2006	27,070	18,606,241	34,227	6.2%
2007	27,070	18,996,515	35,135	7.8%
2008	27,070	19,487,632	36,245	11.4%
2009	27,070	18,829,675	35,176	11.1%
2010	24,431	19,347,596	36,108	9.6%
2011	24,431	20,258,807	37,684	9.4%

- 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

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

2012

Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
AES Corp/Dayton Power & Light	Util	(4)	(5)
Behr Dayton Thermal Products LLC	Mfg	(4)	(5)
Dayton City Schools	Govt	(4)	(5)
Dmax Ltd	Mfg	(4)	(5)
GE Capital	Fin	(4)	(5)
Kettering Health Network	Serv	(4)	(5)
PNC Financial Services Group	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 four years 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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Official/Administrative										
Admin. Assistant	0.00	1.00	1.00	2.00	3.00	3.00	3.00	4.00	0.00	1.00
Assist. Deputy/Assoc. Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00
Assist. Principal	5.00	5.00	3.00	3.00	3.00	4.00	5.00	4.80	3.00	3.00
Principals	12.00	7.00	8.00	7.00	6.00	5.00	5.00	3.97	5.00	3.00
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Supervising/Managing/Directing	9.00	5.00	4.00	3.35	4.00	4.00	3.00	5.23	1.00	1.00
Treasurer	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Coordinator	6.00	7.00	5.00	6.85	7.00	6.00	4.00	3.80	0.00	0.00
Director	0.00	4.00	3.00	3.00	2.00	3.00	3.00	3.00	3.00	3.00
Other Official/Administrative	1.00	1.00	1.00	1.00	1.00	1.00	2.00	0.00	0.00	0.00
Total Official/Administrative	37.00	33.00	28.00	29.20	29.00	29.00	28.00	27.80	14.00	13.00
Professional - Educational										
Curriculum Specialist	4.00	6.00	9.00	8.00	5.00	2.00	1.00	1.00	2.00	2.00
Counseling	5.00	3.00	5.00	5.00	5.00	6.00	6.00	5.00	6.00	6.00
Librarian/Media	3.00	2.00	2.00	2.00	2.00	2.00	2.00	1.86	2.00	2.00
Remedial Specialist	0.00	5.48	3.48	0.34	0.34	0.46	0.28	0.28	0.00	0.00
Regular Teaching	198.47	157.00	148.00	126.18	137.00	132.00	147.00	145.34	169.00	148.00
Special Education Teaching	28.00	7.00	6.00	12.63	10.28	9.60	10.10	12.02	10.00	10.00
Vocational Education Teaching	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	0.00	0.00
Tutor/Small Group Instructor	10.20	5.00	5.00	2.36	2.00	0.63	1.37	0.55	1.00	1.00
Educ. Service Personnel Teacher	14.00	8.00	16.00	15.10	16.20	12.06	0.00	0.00	0.00	0.00
Suppl. Service Teacher (Spec. Ed.)	0.00	26.00	25.00	25.85	27.77	26.00	17.00	15.75	0.00	0.00
Permanent Substitute	0.00	2.00	2.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Professional	0.00	5.00	21.00	24.00	18.00	17.00	21.55	23.38	4.00	3.00
Total Professional - Education	262.67	226.48	242.48	222.46	223.59	207.75	207.30	206.18	194.00	172.00
Professional - Other										
Audiologist	0.00	0.00	0.00	0.27	0.06	0.00	0.00	0.00	0.00	0.00
Auditing	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personnel	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Psychologist	5.00	5.00	5.00	5.00	7.00	8.00	4.00	4.00	4.00	3.00
Publicity Relations	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Social Work	0.00	0.00	0.00	0.00	1.00	3.00	3.00	2.00	2.00	1.00
Physical Therapist	0.00	0.00	0.00	0.35	0.00	0.00	0.65	0.65	1.00	1.00
Speech and Language Therapist	3.42	6.00	4.00	4.33	4.00	4.00	4.00	4.40	1.00	1.00
Occupational Therapist	0.00	0.00	0.00	1.13	0.00	0.00	1.23	1.23	4.00	3.00
Mobility Therapist	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	2.00	2.00
Educational Interpreter	1.00	2.00	2.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00
Physical Therapy Assistant	0.00	0.00	0.00	0.12	0.00	0.00	0.00	0.00	0.00	0.00
Adapted Physical Education Therapist	0.00	0.00	0.00	0.18	0.00	0.00	0.00	0.00	0.00	0.00
Total Professional - Other	12.42	13.00	11.00	12.43	13.06	16.00	13.88	12.28	14.00	11.00
Technical										
Computer Operating	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Practical Nursing	0.00	0.00	1.00	1.00	0.00	4.00	0.00	0.00	0.00	0.00
Library Aide	5.00	5.00	5.00	5.00	4.00	4.00	2.00	2.00	2.00	1.00
Instructional Paraprofessional	0.00	0.00	0.00	0.00	28.00	33.00	33.00	35.00	28.00	20.00
Other Technical	0.00	0.00	11.00	11.00	0.00	0.00	3.00	4.00	4.00	2.00
Total Technical	7.00	5.00	17.00	17.00	32.00	41.00	38.00	41.00	34.00	23.00

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Office/Clerical										
Bookkeeping	2.00	1.00	1.00	1.00	1.00	1.00	2.00	0.00	1.00	1.00
Clerical	33.00	30.00	31.00	30.00	29.00	27.00	21.00	20.00	17.00	14.00
Messenger	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00
Teaching Aide	56.00	52.00	37.00	34.00	37.52	4.00	6.00	3.00	3.00	2.00
Telephone Operator	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Office/Clerical	0.00	2.00	0.00	0.00	0.00	0.00	0.00	1.00	3.00	3.00
Total Office/Clerical	<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>	<u>25.00</u>	<u>21.00</u>
Crafts and Trades										
General Maintenance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00
Mechanic	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	2.00
Total Crafts and Trades	<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>	<u>6.00</u>	<u>4.00</u>
Operative										
Vehicle Operator (buses)	30.42	24.42	29.75	28.75	25.75	19.75	23.75	22.00	23.00	23.00
Total Operative	<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>	<u>23.00</u>	<u>23.00</u>
Extracurricular/Intracurricular Activities										
Advisor	2.00	2.00	1.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Coaching	22.00	22.00	12.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Extra/Intra - Curricular Activities	7.50	4.50	3.50	0.00	0.00	0.00	0.00	0.00	2.00	2.00
Total Extracurricular/Intracurricular Activities	<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>	<u>4.00</u>	<u>4.00</u>
Service Work/Laborer										
Attendance Officer	2.00	1.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Custodian	27.00	27.00	25.00	26.00	25.00	26.00	23.00	23.00	20.00	15.00
Food Service	28.80	29.80	24.80	24.80	22.80	20.80	20.05	22.70	29.00	20.00
Monitoring	6.00	4.00	3.00	7.00	5.00	6.00	7.00	7.00	7.00	3.00
Groundskeeping	1.00	1.00	1.00	1.00	2.00	2.00	2.00	1.00	1.00	1.00
Total Service Work/Laborer	<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>	<u>59.00</u>	<u>41.00</u>
Total Employees	<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>	<u>373.00</u>	<u>312.00</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
2003	3,676	\$33,283,846	\$7,781	-2.22%	\$32,037,870	\$8,715	N/A	239	15.4	28.30%
2004	3,466	47,141,567	8,465	8.79%	37,690,573	10,874	24.77%	198	17.5	59.40%
2005	3,268	57,298,964	9,221	8.93%	39,973,380	12,232	12.48%	195	16.8	65.70%
2006	3,307	52,699,688	10,136	9.92%	43,975,724	13,298	8.72%	180	18.4	60.50%
2007	3,021	72,689,601	10,077	-0.58%	44,980,913	14,889	11.97%	180	16.8	81.51%
2008	3,061	49,689,880	11,411	13.24%	41,799,353	13,655	-8.29%	191	16.0	50.20%
2009	2,939	39,519,379	13,447	17.84%	40,991,229	13,947	2.14%	196	15.0	43.80%
2010	2,870	42,002,282	14,635	8.84%	44,939,723	15,658	12.27%	206	13.9	80.10%
2011	2,771	40,089,285	14,467	-1.14%	41,380,937	14,934	-4.63%	169	16.4	81.90%
2012	2,646	36,892,977	13,943	-3.63%	40,749,391	15,400	3.13%	148	17.9	82.50%

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Broadmoor Elementary										
Square Feet	35,282	35,282	35,282	35,282	35,282	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	300	344	304	422	389	N/A	N/A	N/A	N/A	N/A
Madison Park Elementary										
Square Feet	40,116	40,116	40,116	N/A	N/A	54,065	54,065	54,065	54,065	N/A
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	387	399	383	N/A	N/A	403	410	343	316	N/A
Olivehill Elementary										
Square Feet	32,975	N/A	N/A	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	228	N/A	N/A	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	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	388	365	343	353	318	N/A	N/A	N/A	N/A	N/A
Townview Elementary										
Square Feet	47,514	47,514	47,514	47,514	47,514	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	286	295	296	352	320	N/A	N/A	N/A	N/A	N/A
Westbrooke Village Elementary										
Square Feet	34,740	34,740	34,740	34,740	34,740	54,065	54,065	54,065	54,065	N/A
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	317	308	280	397	343	428	397	481	464	N/A
Early Learning Center										
Square Feet	N/A	N/A	N/A	N/A	N/A	66,456	66,456	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	426	427	427	427	572
Trotwood-Madison Middle School										
Square Feet	84,065	84,065	84,065	84,065	84,065	84,065	88,266	88,266	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	635	590	546	620	538	675	662	626	626	777
Trotwood-Madison High School										
Square Feet	200,086	200,086	200,086	235,823	235,823	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	1,099	1,135	1,087	1,163	1,103	1,078	1,043	993	938	1,297

Source: District Records

N/A - Information not available

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Trotwood-Madison City School District



Single Audit Reports

June 30, 2012

**TROTWOOD-MADISON CITY SCHOOL DISTRICT
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2012**

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	\$452,980	\$0	\$452,980	\$0
National School Lunch Program	3L60	10.555	827,913	34,686	827,913	34,686
Summer Food Service Program for Children	3L60	10.559	93,675	0	93,675	0
Total Nutrition Cluster			1,374,568	34,686	1,374,568	34,686
Total U.S. Department of Agriculture			1,374,568	34,686	1,374,568	34,686
U.S. DEPARTMENT OF EDUCATION						
Passed Through Ohio Department of Education:						
Special Education Cluster:						
Special Education-Grants to States	3M20	84.027	740,740	0	734,198	0
Special Education-Grants to States - ARRA	3DJ0	84.391	53,408	0	33,615	0
Special Education-Preschool Grants	3C50	84.173	6,854	0	7,166	0
Special Education-Preschool Grants - ARRA	3DL0	84.392	5,400	0	5,579	0
Total Special Education Cluster			806,402	0	780,558	0
Title I Cluster:						
Title I Grants to Local Educational Agencies	3M00	84.010	1,521,696	0	1,571,711	0
Title I Grants to Local Educational Agencies - ARRA	3DK0	84.389	131,728	0	60,941	0
Total Title I Cluster			1,653,424	0	1,632,652	0
Safe and Drug Free Schools and Communities	3D10	84.186	9,836	0	644	0
Education Technology State Grants	3S20	84.318	105,396	0	108,661	0
Education Technology State Grants - ARRA	3DM0	84.386	8,658	0	5,456	0
Improving Teacher Quality	3Y60	84.367	237,139	0	235,720	0
State Fiscal Stabilization Fund (SFSF) Ed St Grant - ARRA	GRF	84.394	0	0	946,425	0
Race to the Top - ARRA	N/A	84.395	226,831	0	251,867	0
Education Jobs	3ET0	84.410	610,866	0	467,624	0
Total Department of Education			3,658,552	0	4,429,607	0
Total Federal Assistance			\$5,033,120	\$34,686	\$5,804,175	\$34,686

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.

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

Board of Education
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, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 28, 2012. 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

Management of the District is responsible for establishing and maintaining effective 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*.

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 28, 2012

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

Board of Education
Trotwood-Madison City School District

Compliance

We have audited Trotwood-Madison City School District's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

As described in item 2012-1 in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding cash management that are applicable to its State Fiscal Stabilization Fund Education States grant. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2012-1 to be a material weakness.

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

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, 2012, and have issued our report thereon dated December 28, 2012, which contained an unqualified opinion 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 to 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 28, 2012

**TROTWOOD-MADISON CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012**

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>	Yes
(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>	Qualified
(d)(1)(vi)	<i>Are there any reportable findings under Section .510?</i>	Yes
(d)(1)(vii)	<i>Major Programs (list):</i>	
	Nutrition Cluster:	
	School Breakfast Program	10.553
	National School Lunch Program	10.555
	Summer Food Service Program for Children	10.559
	State Fiscal Stabilization Fund (SFSF) Ed St Grant -ARRA	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

Finding 2012-1 –State Fiscal Stabilization Fund (SFSF) Ed St Grant – ARRA CFDA# 84.394

Finding Type

Material Weakness / Material Noncompliance –Cash Management

Criteria

Compliance requirements for cash management are contained in 34 CFR 80.20 (b)(7). Procedures for minimizing the time elapsing between the transfer of funds from the US Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used.

Federal regulations prohibit the accumulation of cash for the SFSF program for any reason. SFSF funds were disbursed by the Ohio Department of Education (ODE) as a part of the District's foundation payments and SFSF program funds were required to be expended timely (within 30 days) in accordance with federal regulations.

Condition

The District has not implemented effective internal control procedures to prevent, or detect and correct compliance related to minimizing of the time elapsing between the transfer of SFSF funds from ODE and disbursement by the District.

During the year ended June 30, 2012 the District did not comply with compliance requirements related to cash management since SFSF funds disbursed by the ODE were not expended within 30 days as required by federal regulations.

Questioned Costs

None

Context

None of the SFSF funds received during the year ended June 30, 2012 were disbursed within 30 days.

Cause and Effect

The District's internal control over compliance with the requirements applicable to federal programs were not designed to prevent, or detect and correct, noncompliance with cash management compliance requirements. This resulted in accumulation of cash for the SFSF program that did not comply with federal cash management requirements.

Recommendation

We recommend additional training related to the design of internal control over compliance with the requirements applicable to federal programs with an emphasis on cash management requirements and associated controls.

Views of Responsible Officials and Planned Corrective Actions

The SFSF grant was a new program for the District. Grant monies were sent even though the District had not yet requested a draw down. There was no prior notification. The District has subsequently implemented a system to deal with similar situations in the future.

TROTWOOD-MADISON CITY SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133
Year Ended June 30, 2012

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

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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 12, 2013**