



Mary Taylor, CPA
Auditor of State

**DAYTON TECHNOLOGY DESIGN HIGH SCHOOL
MONTGOMERY COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Dayton Technology Design High School
Montgomery County
348 West First Street
Dayton, Ohio 45402

To the Board of Directors:

We have audited the accompanying financial statements of the business-type activity of Dayton Technology Design High School, Montgomery County, (the School), as of and for the year ended June 30, 2009, which collectively comprise the School's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School'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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activity of Dayton Technology Design High School, Montgomery County, as of June 30, 2009, and the respective changes in financial position and its cash flows 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 April 28, 2010, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Mary Taylor, CPA
Auditor of State

April 28, 2010

**DAYTON TECHNOLOGY DESIGN HIGH SCHOOL
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED**

The discussion and analysis of the Dayton Technology Design High School's financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the School's financial performance.

Financial Highlights

- In total, net assets increased \$1,332,459, which represents an 818.8 percent increase from fiscal year 2008.
- Total assets increased \$1,702,180, which represents a 541 percent increase from fiscal year 2008.
- Total liabilities increased \$369,721, which represents a 243.4 percent increase from fiscal year 2008.

Using this Financial Report

This annual report consists of a series of financial statements and notes to those statements.

The statement of net assets and the statement of revenues, expenses, and changes in net assets reflect how the School did financially during fiscal year 2009. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

These statements report the School's net assets and change in those assets. This change in net assets is important because it tells the reader whether the financial position of the School has increased or decreased from the prior fiscal year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating.

Table 1 provides a summary of the School's net assets for fiscal year 2009 and fiscal year 2008:

(Table 1)
Net Assets

	2009	2008	Change
Assets:			
Current Assets	\$ 56,221	\$296,361	(\$ 240,140)
Depreciable Capital Assets, Net	1,960,585	18,265	1,942,320
Total Assets	2,016,806	314,626	1,702,180
Liabilities:			
Current Liabilities	191,623	101,902	89,721
Non-current Liabilities	330,000	50,000	280,000
Total Liabilities	521,623	151,902	369,721
Net Assets:			
Invested in Capital Assets	1,610,585	18,265	1,592,320
Restricted	3,027	68,501	(65,474)
Unrestricted (Deficit)	(118,429)	75,958	(194,387)
Total Net Assets	\$1,495,183	\$162,724	\$1,332,459

**DAYTON TECHNOLOGY DESIGN HIGH SCHOOL
MONTGOMERY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED
(Continued)**

Total assets increased \$1,702,180, mainly due to an increase in capital assets from the donation of land and a building from the School's sponsor, Dayton Public Schools. Consequently, invested in capital assets increased this amount as well. Total liabilities increased mainly due to the new loans payable with Dayton Public Schools for building improvements. Unrestricted net assets lessened due to the small increase in operating revenues but large increase in expenses from the addition of staffing levels for fiscal year 2009.

Table 2 shows the changes in net assets for fiscal year 2009 and fiscal year 2008.

(Table 2)
Change in Net Assets

	2009	2008	Change
Operating Revenues:			
State Foundation	\$1,046,563	\$ 991,617	\$ 54,946
Miscellaneous	5,589		5,589
Total Operating Revenues	<u>1,052,152</u>	<u>991,617</u>	<u>60,535</u>
Non-Operating Revenues:			
Federal and State Grants	109,155	167,399	(58,244)
Contributions and Donations	7,200		7,200
Interest	1,491		1,491
Capital Contributions	1,494,719		1,494,719
Total Non-Operating Revenues	<u>1,612,565</u>	<u>167,399</u>	<u>1,445,166</u>
Total Revenues	<u>2,664,717</u>	<u>1,159,016</u>	<u>1,505,701</u>
Operating Expenses:			
Salaries	626,466	559,683	66,783
Fringe Benefits	201,297	152,832	48,465
Purchased Services	303,785	185,769	118,016
Rent	45,000	21,600	23,400
Materials and Supplies	120,820	100,161	20,659
Depreciation	34,890	4,096	30,794
Total Operating Expenses	<u>1,332,258</u>	<u>1,024,141</u>	<u>\$ 308,117</u>
Change in Net Assets	1,332,459	134,875	
Net Assets at Beginning of Year	<u>162,724</u>	<u>27,849</u>	
Net Assets at End of Year	<u>\$1,495,183</u>	<u>\$ 162,724</u>	

There was an increase in revenues of \$1,505,701 mainly in the capital contribution from Dayton Public Schools. The School purchased a building and land from Dayton Public Schools for only one dollar. The value of the land and building above the dollar was recorded as a capital contribution. An increase in expenses was mainly due to the addition of staff for fiscal year 2009.

**DAYTON TECHNOLOGY DESIGN HIGH SCHOOL
MONTGOMERY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED**

Capital Assets

At the end of fiscal year 2009 the School had \$1,960,585, in capital assets. This represented an increase of \$1,942,320 from fiscal year 2008, which was mainly due to the donation of land and a building from Dayton Public Schools. Table 3 shows total capital assets for fiscal years 2009 and 2008:

**(Table 3)
Capital Assets at June 30,
(Net of Depreciation)**

	<u>2009</u>	<u>2008</u>
Land	\$ 437,500	
Buildings and Improvements	1,508,916	
Furniture and Equipment	14,169	\$18,265
Totals	<u>\$1,960,585</u>	<u>\$18,265</u>

For more information on capital assets see Note 4 to the basic financial statements.

Debt Administration

At the end of fiscal year 2009, the School had \$425,000 in outstanding loans payable. The School entered into a new loan for the purpose of building improvements with Dayton Public Schools for \$350,000. Refer to Note 9 of the basic financial statements for additional information.

Contacting the School's Financial Management

This financial report is designed to provide our citizens with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional information, contact Phyllis J. Bixler, Treasurer at Dayton Technology Design High School, 348 West First Street, Dayton, Ohio 45402, or e-mail at ww_treas@mdeca.org.

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**DAYTON TECHNOLOGY DESIGN HIGH SCHOOL
MONTGOMERY COUNTY**

**STATEMENT OF NET ASSETS
JUNE 30, 2009**

Assets:

Current Assets:

Equity in Pooled Cash	\$50,149
Intergovernmental Receivable	6,072
Total Current Assets	56,221

Non-Current Assets:

Capital Assets:

Nondepreciable Capital Assets	437,500
Depreciable Capital Assets, Net	1,523,085
Total Non-Current Assets	1,960,585

Total Assets	2,016,806
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Liabilities:

Current Liabilities:

Accounts Payable	31,561
Intergovernmental Payable	9,526
Accrued Wages and Benefits Payable	48,188
Compensated Absences Payable	7,348
Loans Payable	95,000
Total Current Liabilities	191,623

Non-Current Liabilities:

Loans Payable	330,000
Total Liabilities	521,623

Net Assets:

Invested in Capital Assets, Net of Related Debt	1,610,585
Restricted:	
Miscellaneous State Grants	2,768
Other Purposes	259
Unrestricted (Deficit)	(118,429)
Total Net Assets	\$1,495,183

See accompanying notes to the basic financial statements.

**DAYTON TECHNOLOGY DESIGN HIGH SCHOOL
MONTGOMERY COUNTY**

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Operating Revenues:	
State Foundation	\$1,046,563
Miscellaneous	5,589
Total Operating Revenues	<u>1,052,152</u>
Operating Expenses:	
Salaries	626,466
Fringe Benefits	201,297
Purchased Services	303,785
Rent	45,000
Materials and Supplies	120,820
Depreciation	34,890
Total Operating Expenses	<u>1,332,258</u>
Operating Loss	<u>(280,106)</u>
Non-Operating Revenues:	
Federal and State Grants	109,155
Contributions and Donations	7,200
Interest	1,491
Total Non-Operating Revenues	<u>117,846</u>
Loss Before Contributions	(162,260)
Capital Contributions	<u>1,494,719</u>
Change in Net Assets	1,332,459
Net Assets at Beginning of Year	<u>162,724</u>
Net Assets at End of Year	<u><u>\$1,495,183</u></u>

See accompanying notes to the basic financial statements.

**DAYTON TECHNOLOGY DESIGN HIGH SCHOOL
MONTGOMERY COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Increase (Decrease) in Cash and Cash Equivalents:

Cash Flows from Operating Activities:

Cash Received from State of Ohio	\$1,056,428
Cash Received from Miscellaneous Sources	5,589
Cash Payments for Employees	(831,498)
Cash Payments to Suppliers for Goods and Services	(446,149)
	(215,630)

Net Cash Used for Operating Activities (215,630)

Cash Flows from Non-capital Financing Activities:

Federal and State Subsidies Received	173,613
Contributions and Donations	7,200
	180,813

Net Cash Provided by Non-capital Financing Activities 180,813

Cash Flows from Capital and Related Financing Activities:

Proceeds from Loans Payable	350,000
Payments for Capital Acquisitions	(482,491)
	(132,491)

Net Cash Used for Non-capital Financing Activities (132,491)

Cash Flows from Investing Activities:

Interest	1,491
	1,491

Net Decrease in Cash and Cash Equivalents (165,817)

Cash and Cash Equivalents at Beginning of Year 215,966

Cash and Cash Equivalents at End of Year \$50,149

Reconciliation of Operating Loss to Net

Cash Used for Operating Activities:

Operating Loss (\$280,106)

Adjustments to Reconcile Operating

Loss to Net Cash Used for Operating Activities:

Depreciation 34,890

Changes in Assets and Liabilities:

Decrease in Intergovernmental Receivable 9,865

Increase in Accounts Payable 23,176

Increase in Accrued Wages and Benefits Payable 5,039

Decrease in Intergovernmental Payable (8,863)

Increase in Compensated Absences Payable 369

Total Adjustments 64,476

Net Cash Used for Operating Activities (\$215,630)

Non-cash:

The School had outstanding intergovernmental receivables related to non-operating grants of \$6,072 and capital contributions of \$1,494,719 at June 30, 2009.

See accompanying notes to the basic financial statements.

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**DAYTON TECHNOLOGY DESIGN HIGH SCHOOL
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

1. DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

The Dayton Technology Design High School (the "School") is a State nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702 to maintain and provide a school exclusively for any educational, literary, scientific, and related teaching service. The School, which is part of the State's education program, is independent of any school district. The School may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the School.

The School is considered a conversion community school under Ohio law. Conversion schools are created by converting all or part of an existing public school into a community school. Conversion schools may be sponsored by and operate in any public school district.

The School is designed for at-risk, high school students who have a desire for, and whose education can be optimized by, a program of online instruction environment that does not include ancillary components of a more traditional education. Because the focus is on virtual learning, the ability of students to learn independently using various computer educational programs is an essential element of the School's program.

The School was approved for operation under contract with its Sponsor, Dayton Public Schools, for a period of five years commencing July 1, 2006. Under the terms of its contract with the Sponsor, the School has access to facilities, staff, equipment, instructional materials, curriculum, and the educational strategy of the Sponsor as determined appropriate. The Sponsor may, at its sole option, accelerate the expiration of the contract for any reason by giving written notice of its intent to the School by May 1 of any given year, in which the contract will expire on June 30 of the same year.

The School operates under a five-member Board of Directors (the Board). The Sponsor Contract requires that the majority of the members of the Board be elected or appointed public officials or public sector employees who have a professional interest in furthering the establishment and operation of the School, some but not all of whom may be administrators within Dayton Public Schools. The Sponsor Contract also permits additional Board positions to be filled by parents or community civic leaders.

The School participates in one jointly governed organization. This organization is the Metropolitan Dayton Educational Cooperative Association (MDECA). MDECA is presented in Note 13 to the basic financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental nonprofit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 provided they do not conflict with or contradict GASB pronouncements. The School has elected not to apply FASB Statements and Interpretations issued after November 30, 1989. The more significant of the School's accounting policies are described below.

A. Basis of Presentation

The School's basic financial statements consist of a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows.

**DAYTON TECHNOLOGY DESIGN HIGH SCHOOL
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During the fiscal year, the School segregates transactions related to certain School functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. For financial reporting, the School uses a single enterprise fund presentation.

Enterprise fund reporting focuses on the determination of the change in net assets, financial position and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

B. Measurement Focus

The accounting and financial reporting treatment of the School's financial transactions is determined by the School's measurement focus. The enterprise activity is accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the School are included on the statement of net assets. The statement of revenues, expenses, and changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School finances and meets its cash flow needs.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Basis of accounting relates to the timing of the measurements made. The School's financial statements are prepared using the accrual basis of accounting.

D. 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.

Non-exchange transactions, in which the School receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School on a reimbursement basis.

E. Expenses

Expenses are recognized at the time they are incurred.

F. Equity in Pooled Cash

The School maintains an interest bearing depository account. All funds of the School are maintained in this account. This account is presented on the statement of net assets as "Equity in Pooled Cash". The School had no investments during fiscal year 2009.

**DAYTON TECHNOLOGY DESIGN HIGH SCHOOL
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Capital Assets

Capital assets are capitalized at cost (or estimated historical cost which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The School maintains a capitalization threshold of \$1,000. The School does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

<u>Description</u>	<u>Estimated Life</u>
Buildings and Improvements	50 years
Furniture and Fixtures	5-30 years

H. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the statement of net assets.

I. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if employees' rights to receive compensation are attributable to services already rendered and it is probable that the School will compensate the employees for the benefits through paid time off or some other means. The School records a liability for accumulated unused vacation time when earned for all employees.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the School's termination policy. The School records a liability for accumulated unused sick leave for employees with at least 15 years of service in one of the retirement systems for all positions (including certified and non-certified staff).

J. Intergovernmental Revenues

The School currently participates in the State Foundation Program. Revenues received from this program are recognized as operating revenues in the accounting period in which all eligibility requirements have been met.

The amount of these grants is directly related to the number of students enrolled in the School. The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the School. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which State foundation funding is calculated.

The remaining grants and entitlements received by the School are recognized as non-operating revenues in the accounting period in which eligibility requirements have been met.

**DAYTON TECHNOLOGY DESIGN HIGH SCHOOL
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The School applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Net assets restricted for other purposes include resources restricted for required food service operations and federal and State grants restricted to expenditures for specified purposes.

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

L. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activities of the School. These revenues are primarily foundation payments from the State. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the School. Revenues and expenses not meeting this definition are reported as non-operating.

M. Contributions of Capital

Contributions of capital arise from outside contributions of capital assets.

N. Estimates

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

O. Budgetary Process

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided in the contract between the School and its sponsor. The contract agreement between the School and its Sponsor does not prescribe a budgetary process for the School; therefore, no budgetary information is presented in the financial statements.

3. RECEIVABLES

Receivables at June 30, 2009, consisted of intergovernmental (Federal and State grants). All receivables are considered collectible in full and will be received within one year.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Food Service	<u>\$6,072</u>

**DAYTON TECHNOLOGY DESIGN HIGH SCHOOL
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

4. CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2009 was as follows:

	Balance At 6/30/2008	Additions	Deletions	Balance At 6/30/2009
Capital Assets, Not Being Depreciated:				
Land		\$437,500		\$ 437,500
Depreciable Capital Assets:				
Buildings and Improvements		1,539,710		1,539,710
Furniture and Fixtures	\$22,361			22,361
Total Depreciable Capital Assets	22,361	1,539,710		1,562,071
Less Accumulated Depreciation:				
Buildings and Improvements		(30,794)		(30,794)
Furniture and Fixtures	(4,096)	(4,096)		(8,192)
Total Accumulated Depreciation	(4,096)	(34,890)		(38,986)
Depreciable Capital Assets, Net	18,265	1,504,820		1,523,085
Total Capital Assets, Net	\$18,265	\$1,942,320	\$0	\$1,960,585

5. RISK MANAGEMENT

A. Property and Liability

The School contracted with Erie Insurance Company for business general liability and excess liability. General Liability (including personal and advertising injury) coverage is \$1 million each occurrence with a \$2 million policy aggregate. Excess Liability coverage has a single and combined limit of liability of \$10 million. Business property liability coverage for owned, hired, and non-owned auto liability has a single and combined limit of liability at \$1 million.

The School contracted with Lexington Insurance Company for property Insurance of \$1 million.

One significant change in insurance coverage occurred in 2009, the School obtained property insurance. Settled claims have not exceeded insurance coverage for the past three fiscal years.

B. Workers' Compensation

The School pays the State Workers' Compensation System a premium for employee injury coverage. The premium is calculated by multiplying annual gross payroll by a factor calculated by the State.

6. DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

**DAYTON TECHNOLOGY DESIGN HIGH SCHOOL
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

6. DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School is required to contribute at an actuarially determined rate. The current School rate is 14 percent of annual covered payroll. A portion of the School's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008, and 2007 were \$10,030, \$3,707, and \$7,411, respectively; 93.9 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

B. State Teachers Retirement System of Ohio

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB Plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

**DAYTON TECHNOLOGY DESIGN HIGH SCHOOL
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

6. DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy – For the fiscal year ended June 30, 2009, plan members were required to contribute 10 percent of their annual covered salaries. The School was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008, and 2007 were \$73,246, \$69,404, and \$58,242, respectively; 92.7 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were \$4,939 made by the School and 8,119 made by the plan members.

7. POST-EMPLOYMENT BENEFITS

A. School Employees Retirement System

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2009, 4.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2009, this amount was \$35,800.

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

The School's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$4,590, \$1,692, and \$2,656, respectively; 93.9 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2009, this actuarially required allocation was 0.75 percent of covered payroll. The School's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007 were \$828, \$267, and \$504 respectively; 93.9 percent has been contributed for fiscal year 2009 and 100 percent has been contributed for fiscal years 2008 and 2007.

**DAYTON TECHNOLOGY DESIGN HIGH SCHOOL
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

7. POST-EMPLOYMENT BENEFITS (Continued)

B. State Teachers Retirement System of Ohio

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2009, STRS Ohio allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. The School’s contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$5,634, \$5,339, and \$4,480, respectively; 92.7 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

8. EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements of Dayton Public School, the sponsor, and State Laws. Classified employees earn 10 to 20 days of vacation per fiscal year, depending upon length of service. Vacation days are credited to classified employees each month and may be accrued up to a maximum of the number of days earned during the fiscal year. Vacation days in excess of the annual number of days earned by the employee may be carried forward only with the approval of the Principal. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

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

<u>Length of Service</u>	<u>Maximum Severance Payouts</u>
Less than five years	0 days
Five years to 15 years	30 days
15 years to 25 years	35 days
Over 25 years	40 days

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

**DAYTON TECHNOLOGY DESIGN HIGH SCHOOL
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

8. EMPLOYEE BENEFITS (Continued)

B. Health Insurance

As part of the Sponsor Contract, School employees are covered by the Sponsor's insurance benefit coverage and premiums for the benefits are paid by the School to the Sponsor each pay period.

9. LONG-TERM OBLIGATIONS

The changes in the School's long-term obligations during fiscal year 2009 were as follows:

<u>Long-Term Obligation</u>	<u>Amount Outstanding 6/30/08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Amount Outstanding 6/30/09</u>	<u>Due In One Year</u>
Start Up Loan	\$75,000			\$ 75,000	\$25,000
Building Improvement Loan		\$350,000		350,000	70,000
Total Long-Term Obligation	<u>\$75,000</u>	<u>\$350,000</u>	<u>\$0</u>	<u>\$425,000</u>	<u>\$95,000</u>

On July 10, 2006 the School's Sponsor, Dayton Public Schools, provided the School with a loan of \$100,000 to fund operations during the start-up phase of the School. There is no provision for interest on this loan. The loan agreement requires the loan to be repaid in four annual installments of \$25,000 ending in fiscal year 2010. During the fiscal years 2008 and 2009, the Sponsor agreed to a deferment of the second and third installment payment on the loan until fiscal years 2010 and 2011.

On July 22, 2008, the School's sponsor, Dayton Public Schools, provided the School with a loan of \$350,000 to fund building improvements of the School. There is no provision for interest on this loan. The agreement required the loan to be repaid in five annual installments of \$70,000 ending in fiscal year 2014.

10. CONTINGENCIES

A. Grants

Amounts received from grantor agencies are subject to audit and adjustment by the Grantor. Any disallowed costs may require refunding to the grantor. Amounts, which may be disallowed, if any, are not presently determinable. However, in the opinion of the School, any such disallowed claims will not have a material adverse effect on the financial position of the School.

B. State Funding

The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which State foundation funding is calculated.

**DAYTON TECHNOLOGY DESIGN HIGH SCHOOL
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

11. PURCHASED SERVICES

For the period ended June 30, 2009, purchased service expenses for services rendered by various vendors were as follows:

Professional and Technical Services	\$134,975
Property Services	128,538
Pupil Transportation	33,975
Utilities	93
Communications	4,653
Other	1,551
Total Expenses	<u>\$303,785</u>

12. RELATED PARTY TRANSACTIONS

During the fiscal year ended June 30, 2009, the benefits related to the School's employees are processed and initially paid by Dayton Public Schools. The School subsequently reimburses Dayton Public Schools for these expenditures after each pay period. During fiscal year 2009, the School reported expenses related to employee insurance of \$98,051.

13. JOINTLY GOVERNED ORGANIZATION

Metropolitan Dayton Educational Cooperative Association - The School is a participant in the Metropolitan Dayton Educational Cooperative Association (MDECA) which is a computer consortium. MDECA is an association of public school districts within the boundaries of Montgomery, Miami and Darke Counties and the Cities of Dayton, Troy and Greenville. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts.

The governing board of MDECA consists of seven Superintendents of member school districts, with six of the Superintendents elected by majority vote of all member school districts except Montgomery County Educational Service Center. The seventh Superintendent is from the Montgomery County Educational Service Center. The School paid MDECA \$1,478 for services provided during the fiscal year. Financial information can be obtained from Jerry Woodyard, who serves as director, at 225 Linwood Street, Dayton, Ohio 45405.

14. SUBSEQUENT EVENTS

On January 19, 2010, the School's Sponsor Dayton Public Schools, approved loan repayment modifications to the current repayment agreement with Dayton Technology Design High School. Dayton Technology Design High School will repay Dayton Public Schools at the rate of \$25,000 per year for the \$75,000 balance of the \$100,000 start up loan, for a period of three years. This agreement is effective for fiscal year 2010 and payments shall be made by January 10th of each respective year. In addition Dayton Public Schools forgave the building improvement loan of \$350,000.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Dayton Technology Design High School
Montgomery County
348 West First Street
Dayton, Ohio 45402

To the Board of Directors:

We have audited the financial statements of the business-type activity of Dayton Technology Design High School, Montgomery County, (the School) as of and for the year ended June 30, 2009, which collectively comprise the School's basic financial statements and have issued our report thereon dated April 28, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the School's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the School'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, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and timely corrected.

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 material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the School's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as item 2009-001 and 2009-004.

We did note certain matters not requiring inclusion in this report that we reported to the School's management in a separate letter dated April 28, 2010.

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

We intend this report solely for the information and use of management, the Board of Directors, the Community School's sponsor and others within the School. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

April 28, 2010

**DAYTON TECHNOLOGY DESIGN HIGH SCHOOL
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2009**

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

FINDING NUMBER 2009-001

Finding For Recovery – Repaid Under Audit

The Ohio Supreme Court case State ex re. McClure v. Hagerman, 155 Ohio St. 320 (1951) provides that expenditures made by a governmental unit should serve a public purpose. Ohio Attorney General Opinion 82-006, citing McClure, provides guidance as to what may be construed as a proper public purpose. There are two criteria that demonstrate whether an expenditure is for a public purpose. First, the expenditure is required for the general good of all inhabitants and second, the primary objective of the expenditures is to further a public purpose, even if an incidental private end is advanced.

Auditor of State Bulletin 2003-005 states that the Auditor of State’s Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

On August 4, 2008 the School issued an advancement to David White, former Principal, for food and supplies for a Staff Development Training held at Put-in-Bay on August 4 2008 through August 6, 2008. Of the 45 invoices submitted to the Treasurer after the training, the following exceptions were noted:

Check #	Check Date	Payable to	Amount Questioned	Description
5310	08/04/08	David White	\$4.88	Improper expenditure – Huge Pillow.
5310	08/04/08	David White	39.37	Improper expenditure – Double Payment
5310	08/04/08	David White	14.90	Improper expenditure – Alcohol Beverage
5310	08/04/08	David White	10.00	No Detail Invoice
5310	08/04/08	David White	19.64	No Detail Invoice plus tip
5310	08/04/08	David White	8.00	Improper expenditure – Alcohol Beverage
5310	08/04/08	David White	41.67	No Detail Invoice plus tip.
5310	08/04/08	David White	2.55	Improper expenditure – Toy.
5310	08/04/08	David White	7.50	Improper expenditure – Alcohol Beverage
5310	08/04/08	David White	4.04	Improper expenditure – Double Payment
5310	08/04/08	David White	7.27	Unexplained expenditure
5310	08/04/08	David White	9.98	Unexplained expenditure
5310	08/04/08	David White	5.00	Over reimbursement
5310	08/04/08	David White	58.85	No Support or invoices
		Total	\$233.65	

In accordance with the foregoing facts and pursuant to **Ohio Rev. Code Section 117.28**, a Finding for Recovery for public monies illegally expended is hereby issued against David White, former Principal in the total amount of \$233.65 and in favor of the Dayton Technology Design High School.

Officials’ Response

Upon notification of the error by the Auditor of State’s office, the school notified David White, former Principal, and received payment back on May 19, 2010, per receipt #91159.

FINDING NUMBER 2009-002

Finding For Recovery - Repaid Under Audit

Several personnel from Dayton Technology Design High School attended training at Put-In-Bay on August 4th -6th, 2008, where they rented two three-bedroom homes from Island Club Rentals for two nights while attending a professional development conference. Per the invoice received by the school, the school paid \$350 per night along with a \$100 deposit for each house on June 6, 2008 with Check #5273. Once the training was over a deposit should have been refunded back to the School within 7-10 days after the stay. After further investigation, we noted a refund check was submitted to John Seebock, former GRADS Coordinator, on August 12, 2008 in the amount of \$200. This check was never turned over to the school, which paid for the deposit on the rental.

In accordance with the foregoing facts and pursuant to **Ohio Revised Code Section 117.28**, a Finding for Recovery for public money that is due to the school but not been collected is hereby issued against John Seebock, former GRADS Coordinator, in the amount of \$200, and in the favor of the Dayton Technology Design High School.

Officials Response:

Upon notification of the error by the Auditor of State's office, the school notified John Seebock, former GRADS Coordinator, and received payment back on April 17, 2010, per receipt #91135.

FINDING NUMBER 2009-003

Noncompliance Citation

Dayton Technology Design High School Policy DLC states that school personnel who incur expenses in carrying out their authorized duties are reimbursed by the school upon submission of a properly completed and approved voucher with such supporting receipts as required by the administrative regulations. Prior approval by the Superintendent or his/her designee is required for all travel and incurrence of related expenses. Such expenses may be approved and incurred only within the limits of budgetary allocations.

The School will make no travel advances to any employee. Upon receiving proper travel approval from the Superintendent, employees may request the School to make the necessary vendor payments such as the cost of the professional meeting, hotel or airfare.

When official travel by a personally owned vehicle has been authorized, mileage payment is made at the rate currently approved by the Board and within the limitations established by the Internal Revenue Service.

A traveler on official school business is expected to exercise the same care in incurring expenses that a prudent person would exercise in traveling on personal business. Excessive costs, such as those caused by circuitous routes or luxury services or accommodations, are not considered prudent, nor are they accepted for reimbursement.

On August 4, 2008 the School issued Check #5310, as an advancement, to David White, former Principal, for food, supplies, and transportation expenses for a Staff Development Training held at Put-in-Bay on August 4 2008 through August 6, 2008. The advancement was in violation of the above stated policy that prohibits travel advances made to any employee. In addition, the school accepted gas receipts instead of reimbursing the employees for mileage payment.

Procedures should be developed and implemented to verify that the School is in compliance with the above policy to provide that expenses are only paid on a reimbursement basis and mileage payments are made at the established rate.

**FINDING NUMBER 2009-003
(Continued)**

Officials' Response

At the time the check was issued prior to this trip, we were not aware of the policy which prohibits payment of expenses prior to the trip.

FINDING NUMBER 2009-004

Noncompliance Citation

Dayton Technology Design High School Policy DLC-R states School employees will be reimbursed for expenses incurred for School business. For all travel and expenses, prior approval must be obtained from the Superintendent or his/her designee.

For travel/expense reimbursements, the employee should use the *Travel Expense Reimbursement Request* form and the following rules apply for proper expense reimbursement:

1. The *Travel Expense Reimbursement Request* must be approved by the Superintendent or his/her designee prior to any expenses being incurred or paid.
2. Receipts and/or documentation must be attached for all expenditures.
3. Meal expenditures shall be reimbursed according to the geographical location visited in accordance with current IRS regulations for travel per diems. Reimbursement is prohibited for tips and alcoholic beverages.
4. Authorized costs for transportation to activities will be reimbursed at coach class by air or at the rate established by the Internal Revenue Service as the per-mile, allowable, deductible rate for business mileage by personal vehicle.
5. Any portion of the travel or expenses pre-paid by the Board must be so indicated on the *Travel Expense Reimbursement Request* form.
6. Approved reimbursement requests should be completed (indicating actual expenses) and submitted to the Treasurer's Office along with required receipts and/or documentation immediately upon return from the authorized trip.

Expenses must not be more than those authorized by School regulation and should be submitted within thirty (30) days. Actual expenses may exceed estimated expenses by 10% or \$100.00 whichever is less, without further approval from the Superintendent or his/her designee.

On August 4, 2008 the School issued Check #5310, to David White, former Principal, for food, supplies, and transportation expenses for a Staff Development Training held at Put-in-Bay on August 4 2008 through August 6, 2008. This violates the above policy due to the fact that meal expenditures were not paid out in accordance with the per diem amount as stated in the policy. In addition, tips and alcoholic beverages were reimbursed which are specifically prohibited by School policy.

Procedures should be developed and implemented to verify that the School is in compliance with the above policy to ensure that public money is only being expensed for proper travel related expenditures according to the policy as adopted by the School Board.

Officials' Response

In the future, we need to either fully follow the Dayton Public School Policy or adopt a policy of our own for these types of educational training and other school business trips.

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DAYTON TECHNOLOGY DESIGN HIGH SCHOOL
MONTGOMERY COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2009

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Deficiencies in documenting Governing Board minutes and items that the Governing Board reviews and approves	Yes	

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Dayton Technology Design High School
Montgomery County
348 West First Street
Dayton, Ohio 45402

To the Board of Directors:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedures enumerated below, which were agreed to by the School, solely to assist the Board in evaluating whether the Dayton Technology Design High School (the School) has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board adopted an anti-harassment policy at its meeting on August 5, 2009.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
 - 1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - 2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
 - 3) A procedure for reporting prohibited incidents;
 - 4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - 5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
 - 6) A procedure for documenting any prohibited incident that is reported;

- 7) A procedure for responding to and investigating any reported incident;
- 8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- 9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
- 10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and School's sponsor, and is not intended to be and should not be used by anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

April 28, 2010



Mary Taylor, CPA
Auditor of State

DAYTON TECHNOLOGY DESIGN HIGH SCHOOL

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
JUNE 22, 2010**