



Dave Yost • Auditor of State



DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY

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**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program / Cluster Title	<b>Federal CFDA Number</b>	<b>Receipts</b>	<b>Non-Cash Receipts</b>	<b>Expenditures</b>	<b>Non-Cash Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>					
<i>Passed Through Ohio Department of Education</i>					
Child Nutrition Cluster:					
School Breakfast Program	10.553	\$2,515,061		\$2,515,061	
Non-Cash Assistance (Food Distribution):					
National School Lunch Program	10.555		\$821		\$821
Cash Assistance					
National School Lunch Program	10.555	5,734,080		5,734,080	
National School Lunch Program - Incentive	10.555	114,412		114,412	
<i>Direct Award</i>					
National School Lunch Program - Cash in Lieu of Commodities	10.555	600,665		600,665	
Total National School Lunch Program		<u>6,449,157</u>	<u>821</u>	<u>6,449,157</u>	<u>821</u>
<i>Passed Through Ohio Department of Education</i>					
Summer Food Service Program for Children	10.559	250,345		250,345	
Total Child Nutrition Cluster		<u>9,214,563</u>	<u>821</u>	<u>9,214,563</u>	<u>821</u>
Fresh Fruit and Vegetable Program	10.582	503,453		503,453	
Total U.S. Department of Agriculture		<u>9,718,016</u>	<u>821</u>	<u>9,718,016</u>	<u>821</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>					
<i>Passed Through Ohio Department of Education</i>					
Title I Grants to Local Educational Agencies	84.010	11,948,243		13,032,890	
Special Education Cluster (IDEA):					
Special Education Grants to States	84.027	3,493,070		3,533,319	
Special Education Preschool Grants	84.173	113,551		136,935	
Total Special Education Cluster (IDEA):		<u>3,606,621</u>		<u>3,670,254</u>	
Career and Technical Education - Basic Grants to States	84.048	591,618		595,381	
Education for Homeless Children and Youth	84.196	155,076		163,228	
Twenty-First Century Community Learning Centers	84.287	211,768		217,699	
English Language Acquisition State Grants	84.365	153,317		158,954	
Improving Teacher Quality State Grants	84.367	2,045,794		2,032,764	
School Improvement Grants	84.377	512,653		624,101	
ARRA - State Fiscal Stabilization Fund (SFSF) -					
Race to the Top Incentive Grants					
Race to the Top - Cultural Competency	84.395	20,223		20,223	
Race to the Top - Teacher Incentive Program - Rosa Parks Elementary		79,823		79,823	
Race to the Top - Teacher Incentive Program - Edison Elementary		61,855			
Race to the Top		505,420		814,388	
Total ARRA - State Fiscal Stabilization Fund (SFSF) -		<u>667,321</u>		<u>914,434</u>	
Race to the Top Incentive Grants					
Total U.S. Department of Education		<u>19,892,411</u>		<u>21,409,705</u>	
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					
<i>Passed Through Ohio Department of Job and Family Services</i>					
Refugee and Entrant Assistance Discretionary Grants	93.576	35,561		31,949	
Total U.S. Department of Health and Human Services		<u>35,561</u>		<u>31,949</u>	
Total Federal Awards Receipts and Expenditures		<u>\$29,645,988</u>	<u>\$821</u>	<u>\$31,159,670</u>	<u>\$821</u>

The accompanying notes are an integral part of this schedule.

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) reports the Dayton City School District's (the District's) federal award programs' receipts and disbursements. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

**NOTE C – FOOD DONATION PROGRAM**

The District reports commodities consumed on the Schedule at the entitlement value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

**NOTE D - MATCHING REQUIREMENTS**

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Dayton City School District, Montgomery County, (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 30, 2015, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

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

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses and significant deficiencies.

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 a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. We consider findings 2015-001 and 2015-002 described in the accompanying schedule of findings to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider findings 2015-003 and 2015-004 described in the accompanying schedule of findings to be significant deficiencies.

***Compliance and Other Matters***

As part of reasonably assuring whether the District'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, opining 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 we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2015-001 through 2015-004.

***District's Response to Findings***

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

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 30, 2015



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

To the Board of Education:

### ***Report on Compliance for Each Major Federal Program***

We have audited the Dayton City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Dayton City School District's major federal programs for the year ended June 30, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

### ***Management's Responsibility***

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect 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 our audit provides a reasonable basis for our compliance opinion on the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

### ***Basis for Qualified Opinion on Title I Grants to Local Educational Agencies and Improving Teacher Quality State Grants***

As described in Findings 2015-005 and 2015-006 in the accompanying schedule of findings, the District did not comply with requirements regarding the following:

<b>Finding #</b>	<b>CFDA #</b>	<b>Program (or Cluster) Name</b>	<b>Compliance Requirement</b>
2015-005	84.367	Improving Teacher Quality State Grants	Special Tests & Provisions Assessment of Needs
2015-006	84.010	Title I Grants to Local Educational Agencies	Cash Management

Compliance with these requirements is necessary, in our opinion, for the District to comply with the requirements applicable to these programs.

***Qualified Opinion on Title I Grants to Local Educational Agencies and Improving Teacher Quality State Grants***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Title I Grants to Local Educational Agencies and Improving Teacher Quality State Grants* paragraph, the Dayton City School District complied, in all material respects, with the requirements referred to above that could directly and materially affect its *Title I Grants to Local Educational Agencies and Improving Teacher Quality State Grants* federal programs for the year ended June 30, 2015.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, Dayton City School District complied in all material respects with the requirements referred to above that could directly and materially affect each of its other major federal programs identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings for the year ended June 30, 2015.

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

***Report on Internal Control over Compliance***

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined 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 material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. 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 federal program's compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2015-005 and 2015-006 to be material weaknesses.

The District's responses to our internal control over compliance findings are described in the accompanying schedule of findings and in the corrective action plan. We did not audit the District's responses and, accordingly, we express no opinion on them.

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Federal Awards Receipts and Expenditures Required by OMB Circular A-133***

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Dayton City School District (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 30, 2015. Our opinion also explained that the District adopted *Governmental Accounting Standards Board Statements No. 68 and 71* during the year. We conducted our audit to opine on the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures presents additional analysis required by the 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 basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 30, 2015

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**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2015**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unmodified
<i>(d)(1)(ii)</i>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	Yes
<i>(d)(1)(ii)</i>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	Yes
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	Yes
<i>(d)(1)(iv)</i>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	<p><b>Unmodified</b>  Child Nutrition Cluster:  School Breakfast Program (CFDA # 10.553)  National School Lunch Program (CFDA # 10.555)  Summer Food Service Program for Children (CFDA # 10.559)  Special Education Cluster (IDEA):  Special Education Grants to States (CFDA # 84.027)  Special Education Preschool Grants (CFDA # 84.173)</p> <p><b>Qualified</b>  Title I Grants to Local Educational Agencies (CFDA # 84.010)  Improving Teacher Quality State Grants (CFDA # 84.367)</p>
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510(a)?</b>	Yes

**1. SUMMARY OF AUDITOR'S RESULTS  
 (Continued)**

<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	Child Nutrition Cluster: School Breakfast Program (CFDA # 10.553) National School Lunch Program (CFDA # 10.555) Summer Food Service Program for Children (CFDA # 10.559) Title I Grants to Local Educational Agencies (CFDA # 84.010) Special Education Cluster (IDEA): Special Education Grants to States (CFDA # 84.027) Special Education Preschool Grants (CFDA # 84.173) Improving Teacher Quality State Grants (CFDA # 84.367)
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 934,814 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	No

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

**FINDING NUMBER 2015-001**

**NONCOMPLIANCE AND MATERIAL WEAKNESS**

**Ohio Rev. Code § 5705.14(B)** states that the unexpended balance in any specific permanent improvement fund, other than a bond fund, after the payment of all obligations incurred in the acquisition of such improvement, shall be transferred to the sinking fund or bond retirement fund of the subdivision; provided that if such money is not required to meet the obligations payable from such funds, it may be transferred to a special fund for the acquisition of permanent improvements, or, with the approval of the court of common pleas of the county in which such subdivision is located, to the general fund of the subdivision.

During fiscal year 2015, the District transferred \$21,500,000 from its permanent improvement fund to the bond retirement fund.

The transfer was determined to be unallowable as the permanent improvement fund had ongoing obligations and the activity was not being closed out. Audit adjustments were required to reverse out the transfer activity. The audit adjustments resulted in the permanent improvements fund qualifying as a major fund. The District has adjusted its financial system to properly present the fund balances.

Policies and procedures should be implemented and established to verify that the District follows requirements underlined in Ohio Rev. Code Sections 5705.14 through 5705.16 while making transfers. Failure to do so could result in the District spending money for unallowable purposes.

**FINDING NUMBER 2015-001  
(Continued)**

**Official's Response:** The District followed exactly the advice from bond counsel in its e-mail dated September 24, 2014. Further, bond counsel has provided answers and opinions, in its letter dated December 17, 2015, with respect to the actions of the District. The bond counsel opinion confirms that, pursuant to § 5705.14(B) of the Ohio Revised Code, "... with a determination that the moneys in the 003 fund were sufficient to meet the obligations of the fund then the balance or some portion of the fund could be transferred to pat the current obligation of the COPS".

**FINDING NUMBER 2015-002**

**NONCOMPLIANCE AND MATERIAL WEAKNESS**

**Ohio Rev. Code § 5705.10(I)** states that money paid into a fund must be used only for the purposes for which such fund has been established.

The School District's Bond Levy, authorized by voters on November 5, 2002, allows the issuance of bonds for the purpose of paying the local share of school construction under the state accelerated urban school building assistance program and the local share of repair and renovation under the state big 8 program, including gyms and meeting areas open after school for use by neighborhood and community residents, technology and science laboratories with up-to-date wiring and computer hardware, classrooms at the elementary school level to keep class size small and classrooms at each of the new schools for special needs students, including those who are mentally or physically handicapped, libraries and media centers, a fixed seat auditorium for student performing arts, acquisition of land and interests in land for new schools and paying costs of any qualified zone academy bonds issued in connection therewith in the principal amount of \$245,055,000 to be repaid annually over a maximum period of 28 years, and an annual levy of property taxes to be made outside the ten-mill limitation, estimated by the county auditor to average over the repayment period of the bond issue 7.97 mills for each one dollar of tax valuation... commencing in 2002, first due in calendar year 2003, to pay the annual debt charge on the bonds, and to pay debt charges on any notes issued in anticipation of those bonds.

The School District issued Certificates of Participation in 2012 (Series 2012 Certificates) for the purpose of refunding Certificates of Participation issued in 2003 which were used to acquire, renovate, improve, equip, and furnish two administrative facilities. The Offering Circular for the Series 2012 Certificates states, in part, renewals of the amended and restated lease and the obligation of the School District to make base rent payments are subject to and dependent upon lawful annual appropriations being made for that purpose and certification of the sufficiency of those appropriations. The Series 2012 Certificates, the amended and restated lease, and the obligation to make base rent payments do not represent or constitute a debt of, or a pledge of the faith and credit of, the School District. Neither the general credit nor the taxing power of the School District is pledged to payment of the principal of or premium, if any, or interest on the Series 2012 Certificates, and neither the Board nor the School District has any obligation to provide funds for the payment of principal and interest on the Series 2012 Certificates.

During fiscal year 2015 the School District made principal and interest payments on the Series 2012 Certificates of \$540,000 and \$549,425, respectively, from the Bond Retirement Fund; however, the levy was not authorized to pay for the administrative facilities thus the expenditures were unallowable from the Bond Retirement Fund and should have been paid out of the Permanent Improvements Fund. The accompanying financial statements and the School District's accounting system have been adjusted to report the payments in the Permanent Improvement Fund.

The School District should implement procedures to verify that all debt payments are made from the proper fund(s). Failure to comply with the terms of voter approved levies and debt agreements could result in findings for adjustment in future audits and the District using restricted levy money for unauthorized purposes.

**FINDING NUMBER 2015-002  
(Continued)**

**Official's Response:** The District followed exactly the advice from bond counsel in its e-mail dated September 24, 2014. Further, bond counsel has provided answers and opinions, in its letter dated December 17, 2015, with respect to the actions of the District. The bond counsel letter acknowledges that its September 2014 advice should have been clearer to provide that "... The District's COPS could be paid from transfers to the 003 fund directly and no transfer was needed to the 002 fund...."

**FINDING NUMBER 2015-003**

**NONCOMPLIANCE AND SIGNIFICANT DEFICIENCY**

**Ohio Revised Code §5705.40**, in part, states that any appropriation measure may be amended or supplemented if the entity complies with the same laws used in making the original appropriation. However, no appropriation may be reduced below an amount sufficient to cover all unliquidated and outstanding contracts or obligations against them.

Rulings filed in the case of *C. B. Transportation, Inc. v. Butler County Board of Mental Retardations, 60 Ohio Misc. 71, 397 N.E.2d 781 (C.P. 1979)*, as well as *Burkholder v. Lauber, 6 Ohio Misc. 152 (1965)*, held that a board or officer whose judgment and discretion is required, was chosen because they were deemed fit and competent to exercise that judgment and discretion and unless power to substitute another in their place has been given, such board or officer cannot delegate these duties to another. Following such reasoning, a local government's governing board would be prohibited from delegating duties statutorily assigned to it, such as the ability to amend appropriations as provided for in Ohio Rev. Code §5705.40.

On June 16, 2015 the Board of Education approved a resolution stating, in part, that the Board of Education of the Dayton City School District, a majority of its full membership therein concurring, authorizes the Treasurer/CFO to make the necessary accounting entries at the close of fiscal year 2015, which ends on June 30, 2015, to maintain legal compliance with applicable laws for the Amended Certificate of Estimated Resources, Supplemental Appropriations, Appropriation Modifications, Fund Advances and Fund Transfers. The detail of these entries will retroactively be attached to this resolution by addendum and be made a part of the minutes for this meeting and that the Board further requires a full report of these entries be made no later than the regular meeting in August 2015.

At fiscal year end the District's Treasurer/CFO reduced appropriations in the School District's accounting system by \$15,138,628. There was no indication that the Board of Education approved the amendment to appropriations. Adjustments were made to the budgetary schedules to properly reflect Board approved appropriations.

The Board should approve all amendments to appropriations at the legal level of control. Failure to obtain requisite approval renders the appropriations illegal and could result in expenditures made by the District being deemed unallowable by the courts.

**Official's Response:** The District disagrees with the finding as other school districts have utilized this same procedure for decades and are not issued a finding. The District feels that the Auditor of State does not apply this noncompliance and significant deficiency standard fairly and uniformly to all school districts in the state.

**Auditor's Conclusion:** In the case of *C. B. Transportation, Inc. v. Butler County Board of Mental Retardations, 60 Ohio Misc. 71, 397 N.E.2d 781 (C.P. 1979)*, as well as *Burkholder v. Lauber, 6 Ohio Misc. 152 (1965)*, the Ohio courts have ruled that Board or Officers cannot delegate their duties to another person unless power to substitute was given to them. Auditor of State follows this case law in instances where the Board delegates its authority to appropriate money to another individual and issues appropriate findings.

**FINDING NUMBER 2015-004**

**NONCOMPLIANCE AND SIGNIFICANT DEFICIENCY**

**Ohio Rev. Code § 3318.12(C)(2)** states that after a certificate of completion has been issued for a project under section 3318.48 of the Revised Code any investment earnings remaining in the project construction fund that are attributable to the state's contribution to the fund shall be transferred to the commission for expenditure pursuant to sections 3318.01 to 3318.20 or sections 3318.40 to 3318.45 of the Revised Code. Any other surplus remaining in the school district's project construction fund shall be transferred to the commission and the school district board in proportion to their respective contributions to the fund.

Additionally, **Ohio Rev. Code § 5705.10(I)** requires money paid into any fund to be used only for the purposes for which fund was established.

The Ohio School Facilities Commission's proportionate share of the surplus for the project of \$975,949 was paid from the District's building fund instead of the classroom facilities fund. Both funds were presented as part of Other Governmental Funds on the District's basic financial statements therefore there is no financial statement impact. However, the combining statement of revenues, expenditures and changes in fund balances – non-major capital projects fund was adjusted to properly present payments made to the Facilities Commission in the correct fund. Transfers out from the Building fund were increased and transfers out from the Classroom Facilities fund were reduced as the District had transferred its share to the permanent improvement fund.

The District should implement policies and procedures to verify that all project-related disbursements and transfers are made in accordance with the Ohio Revised Code. Failure to meet the requirements of the Ohio Revised Code could result in findings for adjustment and negative cash fund balances.

**Official's Response:** The transaction had no financial statement impact. This was the result of a typing error. Procedures have been implemented to verify lawful project-related expenditures.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

<b>Finding Number</b>	2015-005
<b>CFDA Title and Number</b>	Improving Teacher Quality State Grants (CFDA # 84.367)
<b>Federal Award Number / Year</b>	2015
<b>Federal Agency</b>	U.S. Department of Education
<b>Pass-Through Agency</b>	Ohio Department of Education

**NONCOMPLIANCE AND MATERIAL WEAKNESS- Special Tests & Provisions – Assessment of Need**

**20 USC § 6622(c)** states that to be eligible to receive a sub-grant under this subpart, a local educational agency shall conduct an assessment of local needs for professional development and hiring, as identified by the local educational agency and school staff. Such needs assessment shall be conducted with the involvement of teachers, including teachers participating in programs under part A of subchapter I of this chapter, and shall take into account the activities that need to be conducted in order to give teachers the means, including subject matter knowledge and teaching skills, and to give principals the instructional leadership skills to help teachers, to provide students with the opportunity to meet challenging State and local student academic achievement standards.

The District did not conduct an assessment of local needs during fiscal year 2015.

**FINDING NUMBER 2015-005  
 (Continued)**

Procedures should be established and implemented to verify that the District is completing an annual assessment of local needs in accordance with grant eligibility requirements. Failure to comply with grant requirements may render the District ineligible to receive Federal funding.

**Official's Response:** See corrective action plan on page 16

<b>Finding Number</b>	2015-006
<b>CFDA Title and Number</b>	Title I Grants to Local Educational Agencies (CFDA # 84.010)
<b>Federal Award Number / Year</b>	2015
<b>Federal Agency</b>	U.S. Department of Education
<b>Pass-Through Agency</b>	Ohio Department of Education

**NONCOMPLIANCE AND MATERIAL WEAKNESS – Cash Management**

**2 CFR Section 200.305(b)** states, in part that for non-Federal entities other than states, payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means.

In addition **2 CFR §200.305(b)(9)** states that interest earned amounts up to \$500 per year may be retained by the non-Federal entity for administrative expense. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment. Remittances must include pertinent information of the payee and nature of payment in the memo area (often referred to as “addenda records” by Financial Institutions) as that will assist in the timely posting of interest earned on federal funds. Pertinent details include the Payee Account Number (PAN) if the payment originated from PMS, or Agency information if the payment originated from ASAP, NSF or another federal agency payment system

The District did not expend its Title I funds within 30 days of receipt from the Ohio Department of Education for two out of six project cash receipts tested.

The District should establish and implement policies and procedures to determine that federal funds are not accumulated, but rather, are spent as close as possible to the date of receipt. In addition, the District should implement procedures that would allow the District to track interest earned on federal funds. The District should calculate interest earned on federal funds and if applicable remit interest earned in excess of \$500 to the federal government.

**Official's Response:** See Corrective Action Plan on Page 16.

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A -133 § .315 (b)  
JUNE 30, 2015**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain</b>
2014-001	Finding for Recovery in amount of \$7,192 for salary overpayments.	No	Employee is on a repayment plan and has paid \$3,319 as of June 30, 2015.
2014-002	<b>Section III of the Dayton City School's Fixed Assets Procedure Manual</b> – Failure to track soft costs, misstatement of depreciation, asset listing for land, and fully depreciated capital assets.	No	Partially Corrected - Repeated as management letter comment
2014-003	<b>OMB Circular A-133 Subpart C, §.310(b)</b> Schedule of Federal Awards Receipts and Expenditures – Inclusion of advances resulting in overstatement of federal expenditures.	Yes	
2014-004	<b>34 CFR Section 80.20(b)(7)</b> - Cash Management – Federal Funds not spent within 30 days of receipt.	No	Repeated as Finding 2015-006
2014-005	<b>34 CFR Section 200.55</b> - Highly Qualified Teachers.	Yes	
2014-006	<b>FAR Subpart 9.405 (d)(1)/(4)</b> - Procurement, Suspension, Debarment – Failure to perform verification of vendor eligibility.	Yes	
2014-007	<b>2 CFR Part 225, Attachment B, Section 8(h)(3)</b> - Allowable Costs / Cost Principles – Failure to maintain proper certifications for the Improving Teacher Quality State Grants resulting in a Questioned Cost.	Yes	
2014-008	<b>OMB Circular A-133 Subpart C, §.310(b)</b> - Reporting requirements - Schedule of Federal Awards Receipts and Expenditures – Inclusion of advances resulting in overstatement of federal expenditures.	Yes	

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**CORRECTIVE ACTION PLAN  
OMB CIRCULAR A -133 § .315 (c)  
JUNE 30, 2015**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2015-005	<p>A corrective action plan is being developed to complete an annual assessment of local needs in accordance with the grant eligibility requirements.</p> <ol style="list-style-type: none"> <li>1. Office of Grants Management and Compliance has established a policy of an annual assessment of local needs specifically in regards to Title I and Title II-A funding for professional development.</li> <li>2. The District's professional development needs assessment will be conducted annually in the spring, via survey monkey instrument; to be completed by all Building Leadership Team members of the District's Leadership Team.</li> <li>3. Policy will be shared with responsible district parties for developing, procuring, and providing district professional development specifically relative to Title II-A professional development for teachers and principal.</li> <li>4. Survey outcomes will be summarized and reviewed by the Academic Team, the Executive Cabinet, Curriculum and Instruction, and Human Resources Department who oversees professional development and Title II-A Funding.</li> <li>5. Outcomes will be used to offer subsequent professional development for teachers and principals to be paid out of either Title I or Title II-A funding.</li> <li>6. The needs assessment, professional development offerings as a result of the survey, and dollars spent will be recorded in the District's last 5-step process report filed electronically in June of each school year.</li> </ol>	06/30/2016	Linda Stagles
2015-006	<p>The District will establish and implement procedures to ensure federal funds are not accumulated, but rather, are spent as close as possible to the date of receipt. In addition, the District will implement procedures to track interest earned on federal funds and remit interest earned in excess of \$500 to the federal government.</p>	06/30/2016	Hiwot Abraha

# DAYTON

PUBLIC SCHOOLS

## Dayton City School District Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2015



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**DAYTON CITY SCHOOL DISTRICT**

**COMPREHENSIVE**

**ANNUAL FINANCIAL REPORT**

for the

**FISCAL YEAR ENDED JUNE 30, 2015**



Dayton, Ohio

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# **Comprehensive Annual Financial Report**

*of the*

## **Dayton City School District**

*for the*

**Fiscal Year Ended June 30, 2015**

*Prepared by*

### **Treasurer's Office**

**Craig A. Jones**

*Treasurer and Chief Financial Officer*



115 South Ludlow Street  
Dayton, Ohio 45402

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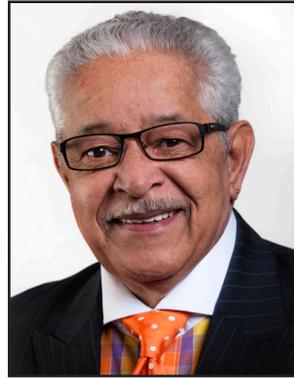


# Dayton Board of Education

June 30, 2015



**Robert C. Walker, D.Min.**  
*President*



**Ronald C. Lee**  
*Vice President*



**Adil Baguirov, Ph.D.**  
*Board Member*



**Joseph E. Lacey**  
*Board Member*



**Nancy A. Nerny**  
*Board Member*



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



**Sheila Taylor**  
*Board Member*



**Lori L. Ward**  
*Superintendent*



**Craig A. Jones**  
*Treasurer*

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**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2015**

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MONTGOMERY COUNTY, OHIO  
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MONTGOMERY COUNTY, OHIO  
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**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO  
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Lori L. Ward  
*Superintendent*

Craig A. Jones  
*Treasurer/CFO*

December 30, 2015

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Dayton City School District (District) for the fiscal year ended June 30, 2015. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the School District. This report is prepared in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. We believe the enclosed data is fairly presented in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District. We further believe all disclosures necessary to enable the reader to gain an understanding of the School District's financial activities have been included. This report has been prepared by the Treasurer/Chief Financial Officer's Office and includes an opinion from the Ohio Auditor of State.

A comprehensive framework of internal control has been established to govern the processing and reporting of the School District's financial data. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Ohio Auditor of State has issued an unmodified opinion on the School District's financial statements for the fiscal year ended June 30, 2015. The report of the independent auditors' is located in the front of the financial section of this report.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The School District's MD&A provides an assessment of key financial highlights and performance taken as a whole. The MD&A can be found immediately following the Independent Auditor's Report.

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

## **SCHOOL DISTRICT PROFILE**

### *The School District and Its Facilities*

The School District is located in Montgomery County (County) approximately 68 miles west of the City of Columbus and 52 miles north of the City of Cincinnati. The territory of the School District consists of a portion of two townships: Harrison and Jefferson, as well as portions of the City of Dayton (City), the City of Riverside, and the City of Trotwood. The School District's total area is approximately 49 square miles. The School District provides educational services, as mandated by state and/or federal laws, to children located within its boundaries. For the 2014-2015 school year, the School District was the 10<sup>th</sup> largest school district in the State of Ohio with 13,350 enrolled students.

#### **School District Facilities**

Name of Building	Grades	Projected		Year Building Completed
		Enrollment (2015-2016)	Capacity	
Belle Haven Elementary	PK-8	446	473	2006
Charity Adams Earley Girls Academy	K-7	387	473	2011
Cleveland Elementary	PK-8	375	473	2007
Dayton Boys Prep Academy	PK-8	285	473	2010
E.J. Brown Elementary	PK-8	406	473	2009
Eastmont Elementary	PK-8	470	473	2011
Edison Elementary	PK-8	465	473	2010
Fairview Elementary	PK-8	441	473	2011
Gorman at Jackson <sup>1</sup>	PK-8	NA	418	1960
Horace Mann Elementary	PK-8	472	473	2008
Kemp Elementary	PK-8	366	473	2008
Kiser Elementary	PK-8	538	473	2006
Louise Troy Elementary	PK-8	379	473	2008
Meadowdale Elementary	PK-8	399	550	2011
River's Edge Montessori	PK-8	511	550	2011
Rosa Parks Early Learning Center	PK	89	473	2007
Ruskin Elementary	PK-8	521	473	2008
Valerie Elementary	PK-8	408	336	1966
Westwood Elementary	PK-8	368	473	2008
Wogaman Elementary	4-8	277	473	2006
World of Wonder Elementary	PK-8	457	473	2010
Wright Brothers Elementary	PK-8	491	473	2012
Belmont High School	7-12	836	945	2011
David H. Pontiz Career Tech. Center	9-12	787	800	2009
Dunbar High School	9-12	559	645	2009
Meadowdale High School	9-12	624	645	2010
Stivers School for the Arts	7-12	874	998	2007
Thurgood Marshall High School	9-12	578	675	2008
Longfellow Alternative	K-12	205	919	1880
Total	n/a	13,014	15,995	n/a

<sup>1</sup> The Gorman at Jackson building was closed for fiscal year 2016.

## Organization of the School District

The Board of Education (Board) of the Dayton City School District is a political and corporate body charged with the responsibility of managing and controlling affairs of the District. The School District is also governed by the general laws of the State of Ohio as set forth in the Ohio Revised Code. The Board is comprised of seven members who are elected for overlapping four-year terms.

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

In November 2015, Dr. Robert C. Walker and Sheila Taylor were re-elected and John McManus was elected to four year terms ending December 31, 2019.

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

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

The Superintendent of Schools is the chief executive officer of the School District. The Superintendent has the responsibility for managing and placing teachers and other employees, assigning the pupils to the proper schools and grades, and performing such other duties as determined by the Board. Mrs. Lori L. Ward was appointed as the Superintendent on July 1, 2010.

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

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

Employee Relations and Benefits

As of November 2015, the School District currently has 1,033 certificated employees (psychologists, teachers, reserve teachers, and administrators) and 1,125 classified employees (administrators, secretarial, clerical, custodial, and cafeteria workers, as well as bus drivers and other non-teaching, non-administrative personnel). Therefore, the School District currently has approximately 2,158 full and part-time employees.

**List of Employment Contracts and Expiration**

(as of November 2015)

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

Source: Dayton City School District

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

All School District employees participate in either the State Teachers Retirement System or the School Employees Retirement System. The current employer obligation for contributions is 14 percent of the employee's salary. Both retirement systems were created by and operate under Ohio law. The General Assembly could amend the format of either system and could revise rates or methods of contribution to be made by the School District in the future. The State Teachers Retirement System is applicable to all teachers, principals, supervisors and administrators who are required to hold a certificate issued by the State Department of Education. Other eligible employees are covered by the School Employees Retirement System. Pursuant to federal law, all School District employees hired after March 31, 1986,

are required to participate in the federal Medicare program, which currently requires employer and employee contributions each equal to 1.45 percent of the employee's wages in accordance to the FICA limit. Otherwise, the School District employees are not presently covered by the federal Social Security Act.

## **ECONOMIC CONDITION AND OUTLOOK**

### *Dayton Area Economy*

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

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

There have been 4,700 jobs added to the region from September 2014 to September 2015. Of those jobs added to the region, 1,000 were in goods production and 3,880 were in service-providing employment. One source of new jobs in the region is the 124,000 square foot Scene75 Entertainment Center facility, which opened in July 2012 as the largest indoor entertainment center in the country. The facility includes an indoor electric go-kart track, a multi-sensory 4-D theater, a laser tag arena, video gaming theaters, and other attractions. With a visible location off of Interstate 75, the entertainment complex has continued to draw visitors from all across the region.

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

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

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

information technology and data management. The MSA currently has the highest concentration per capita of scientific and technical personnel in the State.

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

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

There is also significant support for new business growth and development from the Dayton Area Chamber of Commerce, the Dayton Job Center, and BusinessFirst!, a program run by Montgomery County’s Economic Development Department. BusinessFirst! has grown in membership from 14 to 23 jurisdictions in the Greater Dayton Region, and has been instrumental in helping companies like IMI Norgren, Smiths Aerospace, SK Tech, Paxar, Dayton-Phoenix, Inc., Moto Photo, ConSpan Bridge Systems, Appleton, LORD Corporation, and more stay and grow in the region. The Miami Valley International Trade Association provides critical resources for promoting international trade in the region as well, benefiting local companies like Apache Technologies, Inc. and Dayton Systems Group Technology. On a broader scale, Ohio is the ninth-largest exporting state in the United States, and experienced year over year growth of 10.8% in 2012.

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

### School Foundation

The State's School Foundation Program is the major source of revenue for the School District's general fund. The State assists public districts under a statutory program, which includes direct payments to districts based upon a statutory formula. Such payments are made through the School Foundation Program established by the Ohio Revised Code (the "Code"). School Foundation Program funds distributed to a district are required to be used for current operating expenses, unless specifically allocated by the State for some other purposes. Basic eligibility for School Foundation Program payments is based on a district's compliance with State-mandated minimum standards. The School District is in compliance with those standards and believes it will remain in good standing for the foreseeable future.

On December 3, 2003, the Ohio Supreme Court issued its latest opinion regarding the State of Ohio's funding plan. It had been argued that the dependence on property taxes puts districts with low property values at a disadvantage, because tax rates must be higher than in districts with higher property values to raise a similar amount of money. The Supreme Court ruled once again that the State's school funding plan is unconstitutional, but ended its control without prescribing a solution or ordering state officials back to the court. The Court did direct the Ohio General Assembly to enact a school-funding plan that is thorough and efficient. This was the fourth time the Ohio Supreme Court majority has found the school funding unconstitutional. The Court did not indicate any enforcement measures to ensure that the state administration overhauls the current system.

### Long-term Financial Planning

As required by Ohio law, the School District approved a five-year financial forecast of operational revenues and expenditures along with assumptions in October 2015. A surplus of revenues over expenditures is projected for each of the five forecasted fiscal years. In addition, the general fund unreserved fund balance is expected to reach its 10% cash reserve policy minimum in year 3 of the forecast. Given the uncertainty of future state budgets, local, state and national economic factors, fiscal year 2018 and beyond may deviate significantly from the forecast.

## **MAJOR INITIATIVES**

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

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

### **Vision**

*“We are a professional and highly motivated team collaborating with parents and community stakeholders in a city of learners, guided by mutual accountability and cultural competence, to create an academic, tech-savvy, physical, emotional, social and safe environment where education takes place.”*

## **Mission Statement**

*“To equip our students to achieve success in a global society by implementing an effective and rigorous curriculum with fidelity.”*

## **Values and Beliefs**

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

## **Five Strategic Goals:**

### **Goal 1 - High-Quality Education**

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

### **Goal 2 - High-Quality Faculty and Staff**

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

### **Goal 3 - Engaged Parents**

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

### **Goal 4 - Community Collaborations and Partnerships**

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

## **Goal 5 - Fiscal Responsibility and Accountability**

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

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

- I. Dayton Public Schools will provide quality classroom instruction to...**
  - a. Ensure that ALL students grow at least one academic year annually and are taught by effective teachers
  - b. Ensure that 80% of students are proficient on all state-mandated achievement tests
  - c. Ensure that 80% of students graduate on time and ready for post-secondary or career opportunities
  - d. Achieve a “C” or better on all Report Card categories
  - e. Provide quarterly and annual reports to the community on academic, operational and financial status. Financial metrics will include:
    - i. per-pupil expenditures will be at or below the midpoint of the Ohio 8 Coalition and
    - ii. the instructional percentage of the budget will be above the median of the Ohio 8 Coalition
- II. The Community will...**
  - a. Advocate for high-quality, affordable early childhood education
  - b. Advocate for youth and adult literacy
    - i. Summer academic and recreational programs
    - ii. Before/after/Saturday programs targeted at reading and math literacy
    - iii. Children birth to grade three have access at home to age appropriate books
  - c. Partner with Dayton Public Schools to provide support services and college- and career-ready opportunities for students
    - i. Mentors
    - ii. Internships
    - iii. College-readiness support (college fairs and college tours)
  - d. Invest in schools as community centers
- III. Families will...**
  - a. Ensure children enter kindergarten ready to learn
  - b. Participate in parent/teacher conferences
  - c. Ensure children attend school daily and are prepared to learn

District Accountability and Support

Ohio’s strategy for developing a unified statewide process is the Ohio Improvement Process (OIP). As a part of state Elementary and Secondary Education Act (ESEA) flexibility waiver renewal, the Ohio Department of Education (ODE) recently simplified and restructured its system for supporting school districts according to their needs. The “differentiated accountability” system contains a range of support levels that are based on district report card grades and the presence in a district of Priority, Focus or Watch schools. Support levels feature specific interventions, supports and monitoring based upon needs.

<b>District Support Status Criteria</b>			
<b>Academic Distress Commission District</b>	<b>Intensive Support District</b>	<b>Moderate Support District</b>	<b>Independent District</b>
Any combination of the following for three consecutive years:  Grade of <i>F</i> for the Performance Index score and a grade of <i>D</i> for Value-Added  <b>or</b>  The district received an overall grade of <i>F</i>	Overall grade of <i>F</i> on district report card  <b>or</b>  One or two years of meeting the conditions needed to be placed under an Academic Distress Commission  <b>or</b>  At least one Priority School	Overall grade of <i>D</i> on district report card  <b>or</b>  <i>D</i> or <i>F</i> on Annual Measurable Objectives on the district report card for the two most recent years  <b>or</b>  At least one Focus or Watch School	Overall grade of <i>C</i> or higher on the district report card  <b>and</b>  <i>C</i> or better on Annual Measurable Objectives on the district report card  <b>and</b>  No Priority, Focus or Watch schools

The ODE conducted a site visit in January 26-30, 2015 to review the effectiveness of system-wide functions using six district standards:

- Leadership, Governance and Communication
- Curriculum and Instruction
- Assessment
- Human Resources and Professional development
- Student Support
- Fiscal Management

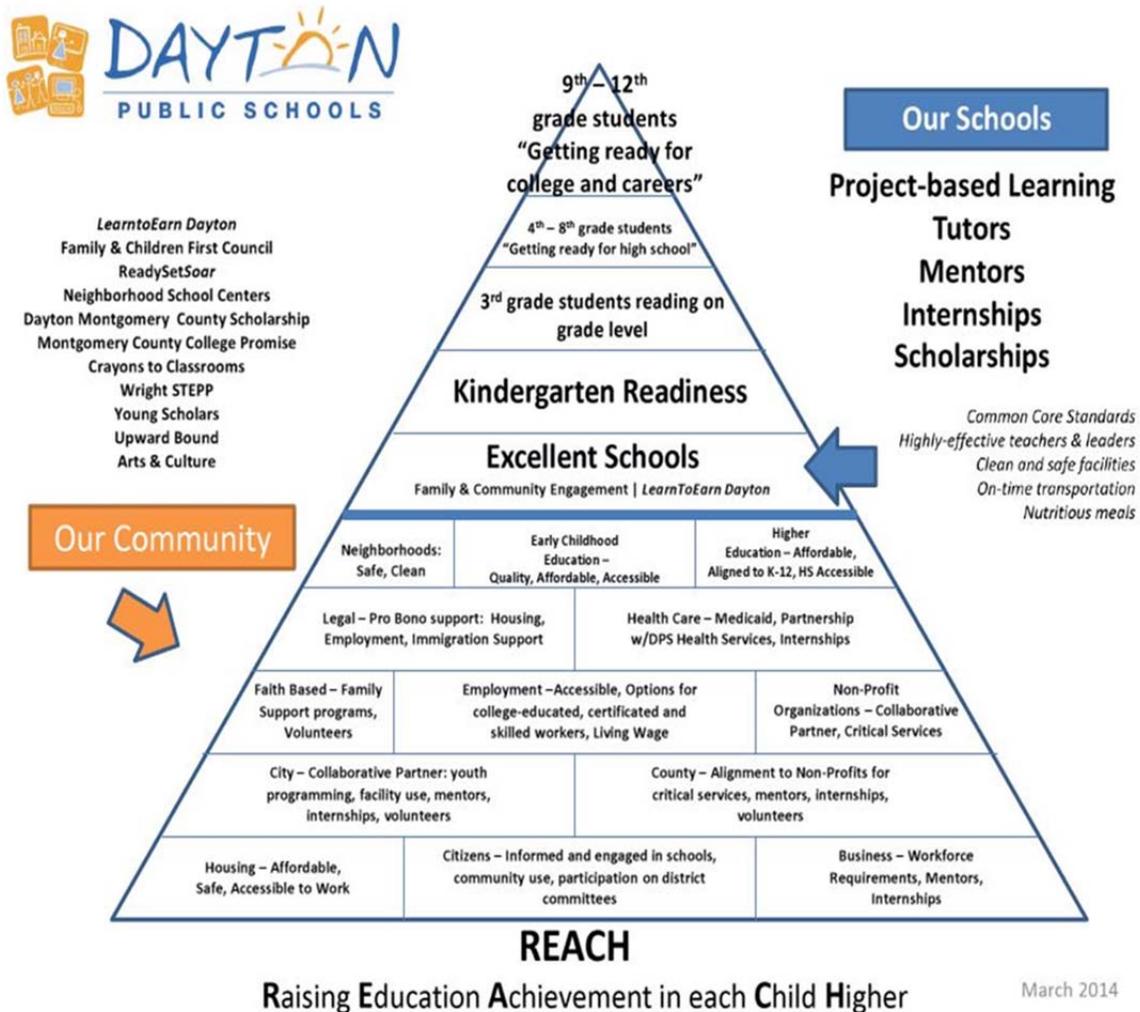
The report highlighted some of the strengths, challenges and recommendations designed to establish or strengthen a cycle of continuous improvement. The School District’s status is Intensive Support. The School District has developed an action plan which will be implemented with the State Support Team (SST) to move schools towards sustainable performance improvement.

Academic Improvement Plan

The goals and strategies to improve academic performance are outlined in the School District’s Academic Improvement Plan. The School District has established four district-wide academic non-negotiables focused on higher student achievement. They are:

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

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



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

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

### Academic Strategies

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

#### ➤ **Kindergarten Readiness**

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

#### ➤ **3<sup>rd</sup> Grade Reading Proficiency**

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

➤ **4<sup>th</sup>-8<sup>th</sup> Grade Transition to High School**

- Strategy I. All language arts and mathematics teachers will maintain a 4 – 9 license.
- Strategy II. Assign mentors to all 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> grade students.
- Strategy III. Align all 21<sup>st</sup> Century grants to support extended day and/or positive school climate opportunities.
- Strategy IV. Implement a high school and college awareness plan for all schools.

➤ **High School to Post-secondary and Career Readiness**

- Strategy I: Offer dual enrollment courses in every high school effective August 2012.
- Strategy II: Create a comprehensive internship program that exposes students to job and career opportunities and helps the students better understand the relevance of the academic work they pursue.
- Strategy III: Offer SAT and ACT prep courses.
- Strategy IV: Provide access to on-line coursework especially in “hard-to-staff” courses such as foreign language, Advanced Placement.
- Strategy V: Provide supports for older youth in transition to adulthood.
- Strategy VI: Provide assistance to parents as well as youth through partners on the financial aid and enrollment process for college and other post-secondary educational programs.

Creation of targeted non-academic programs and strategies

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

1. Students are Healthy
  - a. GetUp Montgomery County
  - b. Health Screenings
  - c. Immunizations
  - d. Access to fresh fruits and vegetables
  - e. Access to pediatric care for insured and uninsured children
  - f. Access to behavioral health care
2. Students Feel Safe
  - a. 21<sup>st</sup> Century grants focused on academic enrichment and reinforcing positive school climate
  - b. Walking school buses
  - c. Collaborations with Dayton Police Department and Montgomery County Sheriff Office
  - d. Neighborhood organizing focused on crime prevention through partner agencies and neighborhood groups.
3. Students Live in Stable Communities
  - a. Neighborhood School Centers as a hub of activities for the community
  - b. Wrap around support services for families provided by partner human service partners

4. Family/Community Support Learning
  - a. School-based parent groups that reinforce the role parents can play in reinforcing learning and promote commitment to post-secondary educational goals for children.
  - b. Nurturing Parenting Programs
  - c. Mentoring Collaborative
  - d. Before and after school as well as summer academic enrichment/tutoring provided by human service agency partners with emphasis on literacy, STEM and project based learning
  - e. Family-based ESL programs provided by human service partners
5. Students with 21<sup>st</sup> Century Learning Tools
  - a. Hotspots throughout the city of Dayton provided by partners
  - b. Dual enrollment at higher education institutions

### Ohio School Report Cards

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

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

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

1. **Achievement:** This component measures absolute academic achievement compared to national standards of success.
2. **Progress:** This component measures the average annual improvement for each student (i.e., whether a student gained more or less a year of knowledge and skills each year).
3. **Gap Closing:** This component measures how well a school or district is doing in narrowing gaps in reading, math and graduation rate among students according to socioeconomic, racial, ethnic or disability status.
4. **Graduation Rate:** This component measures the percentage of students who entered the 9th grade and graduated in four and five years.
5. **K-3 Literacy:** This component measures the improvement in reading for students in kindergarten through grade three.
6. **Prepared for Success:** This component measures whether students who graduate are prepared for college or a career.

There will be a total of 10 A-F grades for 2014-2015. The 10 measures are under five components that will receive grades.

1. Achievement Component

- Performance Index
- Indicators Met

<b>Score</b>	<b>Letter Grade</b>
90 - 100%	A
80 - 89.9%	B
70 - 79.9%	C
50 - 69.9%	D
0 - 49.9%	F

ODE will publish the 2015 Ohio School Report Card in January 2016.

2. Progress Component

- All Students (overall rating of a school or district)
- Gifted Students (math, reading or superior cognitive only)
- Students with Disabilities (all students who have an IEP and take the OAA)
- Students in the Lowest 20 Percent of Achievement Statewide (based on distribution of scores for the entire state)

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

ODE will publish the 2015 Ohio School Report Card in January 2016.

3. Graduation Rate Component

- Four-year Graduation Rate
- Five-year Graduation Rate

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

ODE will publish the 2015 Ohio School Report Card in January 2016.

4. Gap Closing Component

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

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

ODE will publish the 2015 Ohio School Report Card in January 2016.

5. K-3 Literacy Component

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

ODE will publish the 2015 Ohio School Report Card in January 2016.

6. Prepared for Success Component

- College Admission Test
- Dual Enrollment Credits
- Industry-Recognized Credentials
- Honors Diplomas Awarded
- Advanced Placement
- International Baccalaureate Program

The Ohio School Report Card will report, but not grade, the individual measures on the 2015 report card in January 2016.

<b><u>Prepared for Success*</u></b>			
<b>Measure</b>	<b>Percentage</b>	<b>Measure</b>	<b>Percentage</b>
ACT: Participation	TBD%	Industry-Recognized Credential	TBD%
ACT: Remediation	TBD	Advanced Placement Participation	TBD
SAT: Participation	TBD	AP: Exam Score of 3 or Better	TBD
SAT: Remediation	TBD	Dual Enrollment Credit	TBD
Honors Diploma	TBD	International Baccalaureate (IB)	TBD
		IB: Exam Score of 4 or Better	TBD

**Summary of School District Academics**

- The School District has developed plans to recruit, retain, and remunerate high quality staff. Our recruitment efforts range from partnerships with our local universities to Teach for America. The School District implemented the new Ohio Teacher Evaluation System (OTES) and the Ohio Principal Evaluation System (OPES). Collectively, these two systems allow the School District to reassign, financially reward, and release staff members as appropriate.

- Many positive initiatives are being infused into the School District's focus for improving academic achievement. A major underlying thrust for these initiatives is the implementation of the common core state standards or the Ohio Learning Standards implemented in 2014 - 2015. Ohio is one of forty-two states that have adopted the common core standards.
- The School District's Comprehensive Continuous Improvement Plan provides a format that enables the School District to address significant teaching, learning, and accountability issues. The heart of the plan is composed of "gain targets" that reflect what students are expected to achieve on the 24 State achievement indicators. Each school has developed a school improvement plan that outlines areas of concentrated improvement efforts. School plans must address all indicators on the state report card document.
- We are proud of the fact that the highest performing high school in the City of Dayton is Stivers School for the Arts, a performing arts school attracting students not only in Dayton but also from the surrounding areas.

The school improvement planning process has been an annual requirement in the School District since 1993. This process has been aligned with the School District's strategic plan. Student test results are disaggregated and analyzed to identify areas of and strategies for improvement. Results of both School District and school improvement plans, supported by administrative work plans of instructional support staff, are publicly reported.

#### *Information Technology Outsourcing and Systems Integration Agreement*

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

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

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

## The Education Foundation Fund

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

### **FINANCIAL POLICIES**

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

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

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

The concept of reasonable assurance recognizes that:

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

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

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

The School District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered appropriation balances are verified prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year end are carried forward to succeeding fiscal year and are not re-appropriated. Beginning in January 2015, the Board of Education would like to target a general fund cash balance equivalent to at least ten percent (10%) of general fund operating expenditures. The School District is striving to attain this target over time with a focus on long term financial stability.

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

## **AWARDS AND ACKNOWLEDGEMENTS**

### Awards

#### *GFOA Certificate of Achievement*

The Governmental Finance Officers Association of the United States and Canada is a nonprofit association founded in 1906 that serves approximately 12,000 governmental finance professionals. For the twenty-second consecutive year, Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This honor is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

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

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

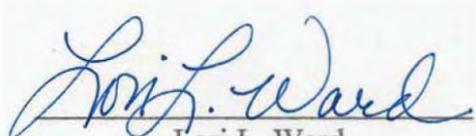
#### *ASBO Certificate of Excellence*

The Association of School Business Officials International, a professional organization founded in 1910, also presented the School District with a Certificate of Excellence in Financial Reporting Award for the preparation and issuance of the fiscal year 2014 school system comprehensive annual financial report. This award is granted only after an intensive review of the financial report by an expert ASBO Panel of Review consisting of certified public accountants and practicing school business officials. Receiving this award is recognition that a school system has met the highest standards of excellence in school finance reporting.

A certificate of excellence is valid for one year only. We believe our current report continues to conform to the standards set by the ASBO Panel of Review, and we are submitting it to ASBO to determine its eligibility for another award.

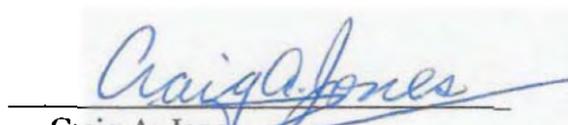
Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the staff of the Treasurer's Office. We want to express our appreciation to all that assisted and contributed to its preparation. A special note of appreciation is extended to the staff of Local Government Services (LGS), State of Ohio, for their consultant services. We would like to acknowledge all members of the Board who have expressed their interest and support in planning and conducting the financial operations of the School District in a fiscally responsible, professional and progressive manner.



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Lori L. Ward  
Superintendent



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Craig A. Jones  
Treasurer/Chief Financial Officer



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Dayton City School District  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

# Association of School Business Officials International



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

## Dayton School District

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2014*

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



A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO  
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA  
Executive Director

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

**BOARD MEMBERS-ELECTED OFFICIALS  
JUNE 30, 2015**

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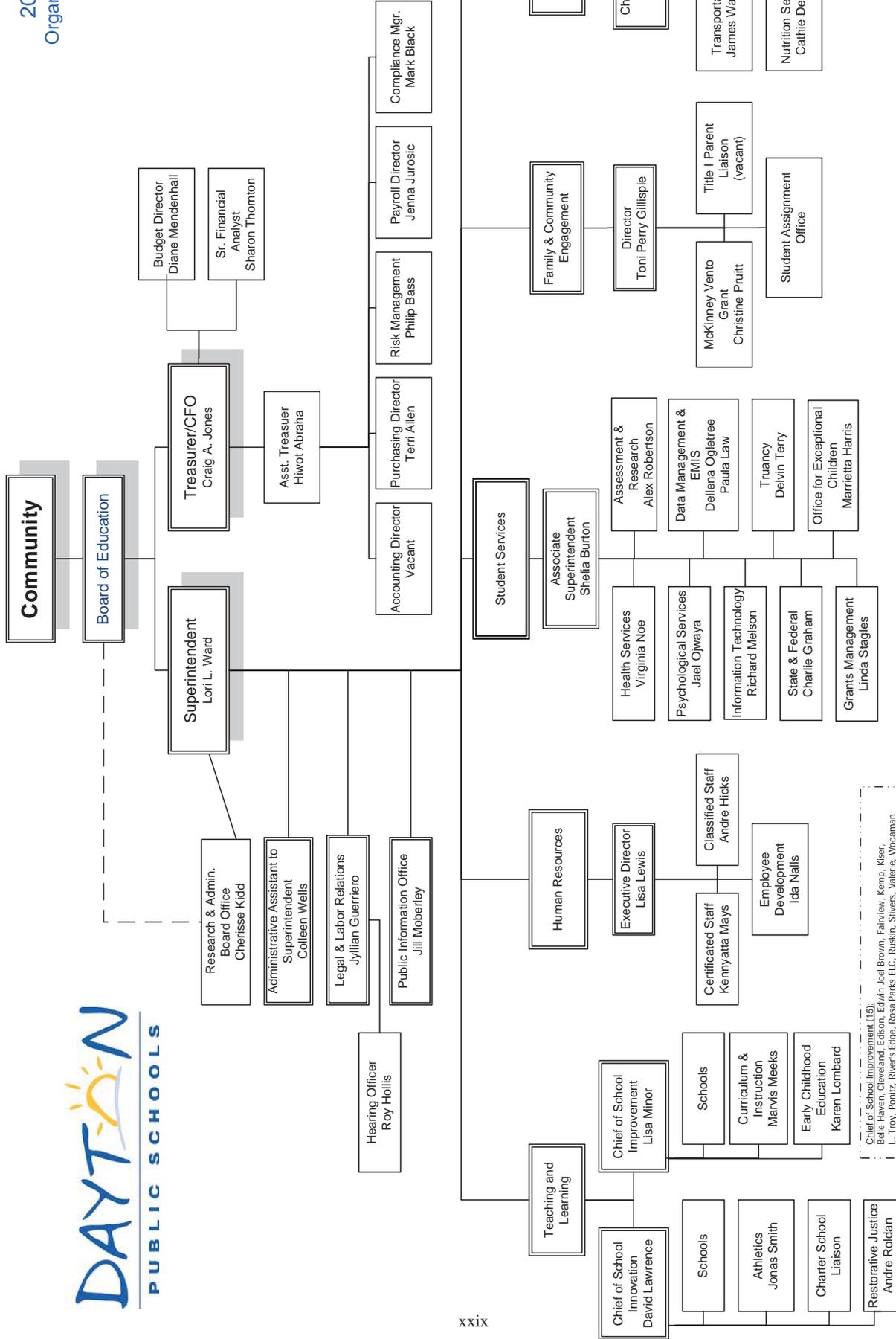
<u>Name</u>	<u>Began Service as a Board Member</u>	<u>Term Expires December 31</u>
Dr. Robert C. Walker, President	2012	2015
Ronald C. Lee, Vice President	2007	2017
Dr. Adil Baguirov	2014	2017
Joseph Lacey	2006	2017
Nancy A. Nerny	2008	2015
Hazel Rountree	2014	2017
Sheila Taylor	2008	2015

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

**CABINET MEMBERS  
JUNE 30, 2015**

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



Chief of School Improvement (15):  
Belmont, Charity Adams, Dayton Boys, Dunbar, Eastmont, Horace Mann, Longfellow,  
Belle Haven, Cleveland, Edison, Edwin Joel Brown, Fairview, Kemp, Kiser,  
L. Troy, Pontiz, River's Edge, Rosa Parks ELC, Ruskin, Silvers, Valerie, Wogaman

Chief of School Innovation (13):  
Belmont, Charity Adams, Dayton Boys, Dunbar, Eastmont, Horace Mann, Longfellow,  
Belle Haven, Cleveland, Edison, Edwin Joel Brown, Fairview, Kemp, Kiser,  
L. Troy, Pontiz, River's Edge, Rosa Parks ELC, Ruskin, Silvers, Valerie, Wogaman

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Dayton City School District, Montgomery County, Ohio (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Dayton City School District, Montgomery County, Ohio, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 3 to the financial statements, during the year ended June 30, 2015, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

**Other Matters**

*Required Supplementary Information*

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

*Supplementary and Other Information*

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

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

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2015, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 30, 2015

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**DAYTON CITY SCHOOL DISTRICT**  
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Management's Discussion and Analysis  
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The discussion and analysis of the Dayton City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, Notes to the Basic Financial Statements, and financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2015 are as follows:

*Overall:*

- Total net position increased \$5.5 million, which represents less than 4.7 percent increase from fiscal year 2014.
- Total assets of governmental activities decreased by \$21 million from those reported at June 30, 2014. The primary factor of the decrease is due to current year depreciation exceeding current year additions.
- General revenues accounted for \$236.5 million or 80.6 percent of total revenue. Program specific revenues in the form of charges for services, sales, and operating grants and contributions account for \$56.9 million or 19.4 percent of total revenues of \$293.4 million.
- The General Fund reported a fund balance of \$4.3 million at June 30, 2015, compared to negative \$3.6 million reported in fiscal year 2014.

**Using this Comprehensive Annual Financial Report (CAFR)**

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

The Statement of Net Position and the Statement of Activities provide information about the activities of the whole School District, presenting both an aggregated view of the School District's finances and a longer-term view of those statements. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

The fund financial statements also look at the School District's most significant funds, major funds, with all other nonmajor funds presented in total in one column. In the case of Dayton City School District, the General Fund, the Bond Retirement Debt Service Fund and the Permanent Improvement Fund are reported as major funds.

**Reporting the School District as a Whole**

*Statement of Net Position and the Statement of Activities*

While this document contains a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question,

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“How did we do financially during fiscal year 2015?” The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources, using the accrual basis of accounting, similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses, regardless of when cash is received or paid.

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

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

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

#### *Fund Financial Statements*

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

#### Governmental Funds

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

#### Proprietary Funds

Internal service funds are used to report activities that provide services to the School District's other funds and departments.

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Fiduciary Funds

The School District's only fiduciary funds are a private purpose trust fund and agency funds. The School District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole. In the case of the Dayton City School District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$123 million at June 30, 2015.

Table 1 provides a summary of the School District's net position for fiscal year 2015 compared to fiscal year 2014:

TABLE 1  
Net Position (in 000's)

	2015	Restated 2014	Change
<i>Assets:</i>			
Current and other Assets	\$227,133	\$226,413	\$720
Capital Assets	454,375	476,086	(21,711)
Total Assets	<u>681,508</u>	<u>702,499</u>	<u>(20,991)</u>
<i>Deferred Outflows of Resources:</i>			
Deferred Charge on Refunding	17,702	643	17,059
Pension	16,216	13,796	2,420
Fair Value of Hedging Derivatives	0	18,613	(18,613)
Total Deferred Outflows of Resources	<u>33,918</u>	<u>33,052</u>	<u>866</u>
<i>Liabilities:</i>			
Current and Other Liabilities	22,346	27,229	(4,883)
Long-Term Liabilities			
Net Pension Liability	224,267	266,201	(41,934)
Other Amounts	238,615	257,668	(19,053)
Total Liabilities	<u>485,228</u>	<u>551,098</u>	<u>(65,870)</u>
<i>Deferred Inflows of Resources:</i>			
Property and Other Local Taxes	67,419	67,319	100
Pension	40,165	0	40,165
Total Deferred Inflows of Resources	<u>107,584</u>	<u>67,319</u>	<u>40,265</u>
<i>Net Position:</i>			
Net Investment in Capital Assets	242,654	250,180	(7,526)
Restricted	69,805	81,075	(11,270)
Unrestricted (Deficit)	(189,845)	(214,121)	24,276
Total Net Position	<u>\$122,614</u>	<u>\$117,134</u>	<u>\$5,480</u>

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During 2015, the School District adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the School District's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange"—that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the School District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

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As a result of implementing GASB 68, the School District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position (in 000's) at June 30, 2014, from \$369,539 to \$117,134.

Total assets of the School District at June 30, 2015 were \$681.5 million, compared with \$702.5 million reported for the prior fiscal year. Significant changes in asset accounts were due to a decrease in capital assets by \$21.7 million, which is associated with current year depreciation exceeding current year additions.

Total liabilities decreased \$65.9 million compared with those reported the prior fiscal year. Other long-term liabilities decreased \$19.1 million due to scheduled debt payments being made.

Total net position reported at June 30, 2015 is \$5.5 million more than the net position reported in the prior fiscal year. The primary reason for the increase is due to revenue exceeding expenses.

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

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

	<u>2015</u>	<u>Restated 2014</u>	<u>Change</u>
<b>Revenues</b>			
Program Revenues:			
Charges for Services and Sales	\$3,817	\$4,609	(\$792)
Operating Grants and Contributions	53,064	54,267	(1,203)
Total Program Revenues	<u>56,881</u>	<u>58,876</u>	<u>(1,995)</u>
General Revenues:			
Property and Other Local Taxes	79,428	81,107	(1,679)
Grants and Entitlements	155,168	142,562	12,606
Investment Earnings	716	361	355
Miscellaneous	1,238	1,894	(656)
Total General Revenues	<u>236,550</u>	<u>225,924</u>	<u>10,626</u>
Special Item	<u>0</u>	<u>(775)</u>	<u>775</u>
Total Revenues	<u>\$293,431</u>	<u>\$284,025</u>	<u>\$9,406</u>

(continued)

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

	2015	Restated 2014	Change
<b>Program Expenses</b>			
Instruction	162,223	165,245	(3,022)
Support Services:			
Pupils and Instructional Staff	20,645	20,599	46
Board of Education, Administration, Fiscal and Business	19,843	22,181	(2,338)
Operation and Maintenance of Plant	20,447	20,988	(541)
Pupil Transportation	15,731	16,306	(575)
Central	7,908	7,476	432
Non-Instructional Services	10,311	10,340	(29)
Extracurricular Activities	2,005	1,985	20
Interest and Fiscal Charges	9,636	6,135	3,501
Unallocated Depreciation	19,202	9,276	9,926
Total Expenses	<u>287,951</u>	<u>280,531</u>	<u>7,420</u>
Change in Net Position	5,480	3,494	1,986
Net Position at Beginning of Year - Restated	117,134	N/A	
Net Position at End of Year	<u>\$122,614</u>	<u>\$117,134</u>	<u>\$5,480</u>

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$13,795,982 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$9,933,303. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

Total 2015 program expenses under GASB 68	\$287,950,879
Pension expense under GASB 68	(9,933,303)
2015 contractually required contribution	<u>14,121,428</u>
Adjusted 2015 program expenses	292,139,004
Total 2014 program expenses under GASB 27	<u>280,531,340</u>
Change in program expenses not related to pension	<u>\$11,607,664</u>

For fiscal year 2015, total net position increased \$5.5 million or less than five percent. Total expenses reported for fiscal year 2015 were \$288 million or \$7.4 million more than those reported for the prior fiscal year. This increase is due to an increase in interest and fiscal charges and unallocated depreciation.

As noted in Table 2, the School District remains heavily dependent upon general intergovernmental revenues. Approximately 65.6 percent of the School District's general revenues are received from intergovernmental sources, primarily State foundation revenue. Grants and entitlements increased due to economic disadvantaged funding from the State. Property and other local tax revenue decreased due to a 9.5 percent decrease in the assessed values, which resulted in a 2.1 percent decrease in revenue.

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The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for fiscal year 2015, as compared to those recorded in fiscal year 2014. Net cost of services provided identifies the cost of these services supported by general revenues, including tax revenue and unrestricted State entitlements.

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

	2015		2014	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$162,223	\$130,796	\$165,245	\$133,494
Support Services:				
Pupils and Instructional Staff	20,645	13,292	20,599	11,878
Board of Education, Administration, Fiscal and Business	19,843	18,574	22,181	20,684
Operation and Maintenance of Plant	20,447	19,916	20,988	20,519
Pupil Transportation	15,731	13,804	16,306	14,522
Central	7,908	7,724	7,476	7,352
Non-Instructional Services	10,311	(3,387)	10,340	(3,016)
Extracurricular Activities	2,005	1,513	1,985	811
Interest and Fiscal Charges	9,636	9,636	6,135	6,135
Unallocated Depreciation	19,202	19,202	9,276	9,276
Total Expenses	<u>\$287,951</u>	<u>\$231,070</u>	<u>\$280,531</u>	<u>\$221,655</u>

Table 3 shows a \$7.4 million increase in total cost of service for fiscal year 2015 as compared to the prior fiscal year. This increase, is due to interest and fiscal changes and unallocated depreciation.

**The School District's Funds**

The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the School District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Total ending fund balance reported for governmental funds at June 30, 2015 was \$56.5 million, a \$1.8 million decrease compared with the prior fiscal year. \$2.7 million is reported in the Bond Retirement Debt Service Fund to be used to pay debt obligations as they become due.

The General Fund is the operating fund of the School District. At June 30, 2015, the ending fund balance of the General Fund was \$4.3 million compared to negative \$3.6 million in the prior fiscal year.

The \$7.6 million decrease in the fund balance of the Bond Retirement Debt Service Fund resulted from the School District making an additional principal payment as part of the issuance on the refunding bonds.

**General Fund Budgeting Highlights**

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

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 For the Fiscal Year Ended June 30, 2015  
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During the course of fiscal year 2015, the School District amended its General Fund budget numerous times. As the School District receives unanticipated cash receipts or received less than was anticipated, it was necessary to adjust estimated resources and appropriations. Other revenue and expenditure line items were also reviewed.

There were variances between the amounts of the original and final budget for each revenue source. The School District did not anticipate budgeting for several miscellaneous items in the original budget. Actual revenue was equal to the final.

**Capital Assets**

At the end of fiscal year 2015, the School District had \$548.0 million invested in land, buildings and improvements, furniture, fixtures and equipment, and vehicles in governmental activities and \$93.6 million of accumulated depreciation, resulting in net capital assets of \$454.4 million.

Table 4 shows fiscal year 2015 balances compared to those of fiscal year 2014:

TABLE 4  
 Capital Assets at June 30

	2015	2014
Land	\$9,212,079	\$9,212,079
Buildings and Improvements	501,182,373	501,182,373
Furniture and Equipment	18,206,517	17,848,491
Vehicles	19,418,856	19,389,386
Less: Accumulated Depreciation	(93,644,398)	(71,545,861)
Total Capital Assets	\$454,375,427	\$476,086,468

Overall, net capital assets decreased approximately \$21.7 million from fiscal year 2014. This decrease is due to current year depreciation exceeding current year additions. Additional information on the School District's capital assets can be found in Note 9 to the Basic Financial Statements.

**Debt Administration**

At the end of fiscal year 2015, the School District had \$229.4 million of outstanding long-term debt obligations, of which \$9.9 million is due within one year. Significant elements of the School District's outstanding long-term debt obligations outstanding at June 30, 2015 include:

- \$205.2 million in outstanding general obligation bonds, and related unamortized bond premiums, with \$11.4 million of principal payments and premium amortization made during the fiscal year 2015.

## **DAYTON CITY SCHOOL DISTRICT**

Montgomery County, Ohio

Management's Discussion and Analysis

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- \$10.0 million in Qualified Zone Academy Bonds for renovations to Stivers Middle School and the creation of an Arts program in Dayton. These bonds bear no interest and payment of the entire principal is due at the maturity date of December 30, 2016.
- \$14.2 million of certificates of participation and related unamortized note premium, which were originally issued to finance the purchase of the School District's administrative office building as well as additional office space.

Additional information on the School District's long-term obligations can be found in Note 14 to the Basic Financial Statements.

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

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

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
STATEMENT OF NET POSITION  
JUNE 30, 2015

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$81,679,788
Cash and Cash Equivalents with Fiscal Agent	10,794,044
Receivables:	
Property and Other Local Taxes	123,705,932
Accounts	81,187
Intergovernmental	10,741,408
Accrued Interest	130,535
Capital Assets:	
Non-Depreciable	9,212,079
Depreciable, Net of Accumulated Depreciation	445,163,348
Total Assets	681,508,321
Deferred Outflows of Resources:	
Deferred Charge on Refunding	17,702,296
Pension	16,215,341
Total Deferred Outflows of Resources	33,917,637
Liabilities:	
Accounts Payable	2,282,903
Accrued Wages and Benefits Payable	11,650,356
Intergovernmental Payable	4,816,576
Accrued Interest Payable	1,399,961
Accrued Vacation Leave Payable	1,347,082
Matured Compensated Absences Payable	849,428
Long Term Liabilities:	
Due Within One Year	13,307,627
Due in More Than One Year:	
Net Pension Liability - See Note 11	224,266,748
Other Liabilities	225,306,982
Total Liabilities	485,227,663
Deferred Inflows of Resources:	
Property and Other Local Taxes	67,419,459
Pension	40,165,258
Total Deferred Inflows of Resources	107,584,717
Net Position:	
Net Investment in Capital Assets	242,654,442
Restricted for:	
Debt Service	31,751,593
Capital Projects	11,672,544
State and Federal Grants	10,347,502
Food Service Operations	7,081,663
Special Trust	204,286
Classroom Facilities Programs	8,649,018
District Managed Student Activities	97,414
Unrestricted (Deficit)	(189,844,884)
Total Net Position	\$122,613,578

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services & Sales	Operating Grants, Interest and Contributions	
Governmental Activities:				
Instruction:				
Regular	\$123,762,777	\$1,558,648	\$3,882,657	(\$118,321,472)
Special	34,878,597	0	24,133,305	(10,745,292)
Vocational	3,558,175	91,301	1,761,005	(1,705,869)
Student Intervention Services	23,653	0	0	(23,653)
Support Services:				
Pupils	12,245,548	1,338	1,169,282	(11,074,928)
Instructional Staff	8,399,226	3,136	6,179,033	(2,217,057)
Board of Education	824,985	0	0	(824,985)
Administration	12,466,220	0	1,108,129	(11,358,091)
Fiscal	4,528,097	0	161,467	(4,366,630)
Business	2,024,427	0	0	(2,024,427)
Operation and Maintenance of Plant	20,446,564	531,011	0	(19,915,553)
Pupil Transportation	15,730,944	0	1,926,575	(13,804,369)
Central	7,908,228	0	184,117	(7,724,111)
Operation of Non-Instructional Services	10,310,798	1,139,326	12,558,614	3,387,142
Extracurricular Activities	2,004,762	491,572	0	(1,513,190)
Debt Service:				
Interest and Fiscal Charges	9,636,179	0	0	(9,636,179)
Unallocated Depreciation	19,201,699	0	0	(19,201,699)
Total Governmental Activities	<u>\$287,950,879</u>	<u>\$3,816,332</u>	<u>\$53,064,184</u>	<u>(231,070,363)</u>

General Revenues:	
Property Taxes Levied For:	
General Purposes	63,695,828
Debt Service	14,428,103
Capital Projects	651,848
Other Purposes	651,848
Grants and Entitlements not Restricted to	
Specific Programs	155,167,829
Investment Earnings	716,207
Miscellaneous	1,237,883
Total General Revenues	236,549,546
Changes in Net Position	5,479,183
Net Position at Beginning of Year -	
Restated (See Note 3)	117,134,395
Net Position at End of Year	<u>\$122,613,578</u>

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

	General Fund	Bond Retirement Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$15,578,461	\$1,830,897	\$21,307,510	\$19,658,536	\$58,375,404
Cash and Cash Equivalents with Fiscal Agent	0	0	0	9,421,644	9,421,644
<u>Receivables:</u>					
Property and Other Local Taxes	98,459,136	23,254,786	996,005	996,005	123,705,932
Accounts	32,689	0	0	48,498	81,187
Intergovernmental	65,172	0	0	10,676,236	10,741,408
Accrued Interest	130,535	0	0	0	130,535
Interfund Receivable	1,819,336	0	0	0	1,819,336
<u>Restricted Assets:</u>					
Cash and Cash Equivalents with Fiscal Agent	0	0	0	1,372,400	1,372,400
<b>Total Assets</b>	<b>\$116,085,329</b>	<b>\$25,085,683</b>	<b>\$22,303,515</b>	<b>\$42,173,319</b>	<b>\$205,647,846</b>
<u>Liabilities:</u>					
Accounts Payable	\$1,527,708	\$0	\$10,745	\$722,887	\$2,261,340
Accrued Wages and Benefits Payable	10,464,285	0	0	1,175,173	11,639,458
Intergovernmental Payable	4,116,014	0	0	696,280	4,812,294
Interfund Payable	0	0	0	1,819,336	1,819,336
Matured Compensated Absences Payable	787,929	0	0	61,499	849,428
<b>Total Liabilities</b>	<b>16,895,936</b>	<b>0</b>	<b>10,745</b>	<b>4,475,175</b>	<b>21,381,856</b>
<u>Deferred Inflows of Resources:</u>					
Property and Other Local Taxes	54,048,239	12,344,704	513,258	513,258	67,419,459
Unavailable Revenue	40,793,827	10,013,002	443,053	9,077,548	60,327,430
<b>Total Deferred Inflows of Resources</b>	<b>94,842,066</b>	<b>22,357,706</b>	<b>956,311</b>	<b>9,590,806</b>	<b>127,746,889</b>
<u>Fund Balances:</u>					
Nonspendable	245,050	0	0	0	245,050
Restricted	0	2,727,977	21,336,459	28,187,325	52,251,761
Assigned	3,065,044	0	0	0	3,065,044
Unassigned (Deficit)	1,037,233	0	0	(79,987)	957,246
<b>Total Fund Balances</b>	<b>4,347,327</b>	<b>2,727,977</b>	<b>21,336,459</b>	<b>28,107,338</b>	<b>56,519,101</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$116,085,329</b>	<b>\$25,085,683</b>	<b>\$22,303,515</b>	<b>\$42,173,319</b>	<b>\$205,647,846</b>

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2015

Total Governmental Fund Balances:		\$56,519,101
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		454,375,427
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds:		
Delinquent Property Taxes	51,562,400	
State and Federal Grants	8,634,495	
Interest	130,535	
Total	60,327,430	60,327,430
The internal service funds are used by management to charge the costs of insurance and goods warehoused and distributed to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		
Internal Service Net Position	18,375,974	
Capital Assets	(34,418)	
Compensated Absences	11,008	
Accrued Vacation Leave Payable	6,004	
Claims Payable	4,909,073	
Total	23,267,641	23,267,641
In the Statement of Net Position, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due.		(1,399,961)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred Outflows - Pension	16,215,341	
Deferred Inflows - Pension	(40,165,258)	
Net Pension Liability	(224,266,748)	(248,216,665)
Vacation benefits payable is not expected to be paid with expendable available financial resources and therefore is not reported in the funds.		(1,347,082)
Deferred Outflows of Resources represent deferred charges on refundings which do not provide current financial resources and therefore are not reported in the funds.		17,702,296
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
General Obligation Bonds	(176,695,000)	
Premium	(29,008,281)	
Certificates of Participation	(13,720,000)	
QZAB Bonds	(10,000,000)	
Compensated Absences	(4,282,255)	
Claims Payable	(4,909,073)	
Total	(238,614,609)	(238,614,609)
Net Position of Governmental Activities		\$122,613,578

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Bond Retirement Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property and Other Local Taxes	\$60,609,991	\$14,216,417	\$615,618	\$615,618	\$76,057,644
Intergovernmental	172,624,856	3,409,535	280,644	33,889,753	210,204,788
Investment Earnings	540,975	0	0	137,067	678,042
Tuition and Fees	1,385,333	0	0	0	1,385,333
Rent	340,306	0	0	0	340,306
Gifts and Donations	0	0	0	7,780	7,780
Customer Sales and Services	160,358	0	0	1,139,326	1,299,684
Extracurricular Activities	177,789	0	0	521,919	699,708
Miscellaneous	1,112,077	2,518	204	123,084	1,237,883
<b>Total Revenues</b>	<b>236,951,685</b>	<b>17,628,470</b>	<b>896,466</b>	<b>36,434,547</b>	<b>291,911,168</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	124,835,837	0	105,699	4,817,083	129,758,619
Special	29,336,643	0	0	6,164,987	35,501,630
Vocational	2,953,816	0	0	375,386	3,329,202
Student Intervention Services	82,714	0	0	42,083	124,797
<b>Support Services:</b>					
Pupils	11,663,313	0	0	1,309,398	12,972,711
Instructional Staff	2,494,305	0	0	6,591,764	9,086,069
Board of Education	826,304	0	0	0	826,304
Administration	11,394,450	0	0	1,880,637	13,275,087
Fiscal	3,155,771	1,178,006	13,418	207,305	4,554,500
Business	2,028,222	0	0	0	2,028,222
Operation and Maintenance of Plant	17,987,074	0	457,659	2,595,552	21,040,285
Pupil Transportation	13,720,351	0	0	604,972	14,325,323
Central	7,137,596	0	199,355	277,387	7,614,338
Operation of Non-Instructional Services	0	0	0	10,779,206	10,779,206
Extracurricular Activities	1,365,273	0	163,299	481,534	2,010,106
Capital Outlay	0	0	6,306	406,562	412,868
<b>Debt Service:</b>					
Principal Retirement	0	6,594,989	1,255,000	0	7,849,989
Interest and Fiscal Charges	0	10,798,957	702,250	0	11,501,207
Current Refunding	0	5,425,000	0	0	5,425,000
Swap Termination Fee	0	17,846,129	0	0	17,846,129
Accretion	0	2,120,011	0	0	2,120,011
<b>Total Expenditures</b>	<b>228,981,669</b>	<b>43,963,092</b>	<b>2,902,986</b>	<b>36,533,856</b>	<b>312,381,603</b>
<b>Excess of Revenues (Over) Expenditures</b>	<b>7,970,016</b>	<b>(26,334,622)</b>	<b>(2,006,520)</b>	<b>(99,309)</b>	<b>(20,470,435)</b>
<b>Other Financing Sources (Uses):</b>					
Current Refunding Bonds Issued	0	90,360,000	0	0	90,360,000
Premium on Issuance of Refunding Bonds	0	16,380,001	0	0	16,380,001
Current Refunding	0	(88,025,000)	0	0	(88,025,000)
Transfers In	0	0	21,500,000	0	21,500,000
Transfers Out	0	0	0	(21,500,000)	(21,500,000)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>18,715,001</b>	<b>21,500,000</b>	<b>(21,500,000)</b>	<b>18,715,001</b>
<b>Net Change in Fund Balance</b>	<b>7,970,016</b>	<b>(7,619,621)</b>	<b>19,493,480</b>	<b>(21,599,309)</b>	<b>(1,755,434)</b>
<b>Fund Balance at Beginning of Year</b>	<b>(3,622,689)</b>	<b>10,347,598</b>	<b>1,842,979</b>	<b>49,706,647</b>	<b>58,274,535</b>
<b>Fund Balance at End of Year</b>	<b>\$4,347,327</b>	<b>\$2,727,977</b>	<b>\$21,336,459</b>	<b>\$28,107,338</b>	<b>\$56,519,101</b>

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Net Change in Fund Balances - Total Governmental Funds (\$1,755,434)

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

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

Capital Asset Additions	387,496	
Current Year Depreciation	<u>(22,098,537)</u>	
Total		(21,711,041)

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

Delinquent Property Taxes	3,369,983	
State and Federal Grants	(1,923,804)	
Interest	<u>72,715</u>	
Total		1,518,894

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

Accrued Interest	107,942	
Annual Accretion	(16,803)	
Amortization of Premium on Bonds	2,270,754	
Amortization of Premium on Notes	258,117	
Amortization of Premium on Certificate of Participation	31,963	
Amortization of Deferred Charge on Refunding	<u>(786,945)</u>	
Total		1,865,028

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

General Obligation Bond Principal Payments	6,959,989	
General Obligation Bond Accretion	2,120,011	
Long-Term Notes Current Refunding Payments	93,450,000	
Refunding Certificate of Participation Principal Payments	540,000	
Long-Term Tax Anticipation Notes Principal Payments	<u>350,000</u>	
Total		103,420,000

Payment of swap termination fee is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Position. 17,846,129

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

General Obligations Refunding Bonds	(90,360,000)	
Premium on Refunding Bonds	<u>(16,380,001)</u>	
Total		(106,740,001)

(continued)

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
Continued

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:			
Compensated Absences Payable	(15,346)		
Claims Payable	1,231,515		
Vacation Payable	195,300		
Total		1,411,469	
Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.			14,121,428
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the Statement of Activities.			(9,933,303)
The internal service fund used by management to charge the costs of insurance to individual funds are not reported in the district-wide Statement of Activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund are allocated among the governmental activities.			
Change in Net Position	6,638,534		
Claims Payable	(1,231,515)		
Compensated Absences Payable	786		
Vacation Leave Payable	(88)		
Change in Capital Assets	28,297		
		5,436,014	
Change in Net Position of Governmental Activities			\$5,479,183

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GENERAL FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Property and Other Local Taxes	\$55,427,619	\$60,275,247	\$60,275,247	\$0
Intergovernmental	172,461,299	173,306,530	173,306,530	0
Investment Earnings	300,000	516,692	516,692	0
Tuition and Fees	1,347,000	1,387,881	1,387,881	0
Rent	320,000	340,651	340,651	0
Customer Sales and Services	156,000	134,831	134,831	0
Miscellaneous	2,321,470	1,028,543	1,028,543	0
<b>Total Revenues</b>	<b>232,333,388</b>	<b>236,990,375</b>	<b>236,990,375</b>	<b>0</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	116,646,554	123,243,382	124,687,201	(1,443,819)
Special	30,758,852	30,765,237	29,693,006	1,072,231
Vocational	2,259,984	2,444,115	3,028,405	(584,290)
Student Intervention Services	27,075	27,075	82,714	(55,639)
Other	994,000	1,002,786	969,226	33,560
<b>Support Services:</b>				
Pupils	11,405,285	12,000,809	12,092,985	(92,176)
Instructional Staff	2,146,071	2,176,097	2,536,890	(360,793)
Board of Education	959,466	1,338,078	1,060,016	278,062
Administration	11,125,630	11,073,650	11,714,580	(640,930)
Fiscal	3,206,279	3,577,541	3,247,222	330,319
Business	1,955,780	2,111,034	2,091,320	19,714
Operation and Maintenance of Plant	19,503,713	19,926,026	19,045,345	880,681
Pupil Transportation	15,610,705	15,936,530	14,383,528	1,553,002
Central	7,990,503	9,021,886	8,193,178	828,708
Extracurricular Activities	1,295,243	1,300,317	1,366,031	(65,714)
Capital Outlay	1,089,425	772,030	0	772,030
<b>Total Expenditures</b>	<b>226,974,565</b>	<b>236,716,593</b>	<b>234,191,647</b>	<b>2,524,946</b>
<b>Excess of Revenues Over Expenditures</b>	<b>5,358,823</b>	<b>273,782</b>	<b>2,798,728</b>	<b>2,524,946</b>
<b>Other Financing Sources (Uses):</b>				
Refund of Prior Year Expenditures	0	35,392	35,392	0
Advances In	2,069,234	849,234	938,636	89,402
Advances Out	(2,750,000)	(480,771)	(480,771)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(680,766)</b>	<b>403,855</b>	<b>493,257</b>	<b>89,402</b>
<b>Net Change in Fund Balance</b>	<b>4,678,057</b>	<b>677,637</b>	<b>3,291,985</b>	<b>2,614,348</b>
Fund Balance at Beginning of Year	4,970,418	4,970,418	4,970,418	0
Prior Year Encumbrances Appropriated	3,154,148	3,154,148	3,154,148	0
<b>Fund Balance at End of Year</b>	<b>\$12,802,623</b>	<b>\$8,802,203</b>	<b>\$11,416,551</b>	<b>\$2,614,348</b>

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
STATEMENT OF FUND NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2015

	<u>Internal Service Funds</u>
Assets:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$23,304,384
Non-Current Assets:	
Capital Assets, Net of Accumulated Depreciation	<u>34,418</u>
Total Assets	<u>23,338,802</u>
Liabilities:	
Current Liabilities:	
Accounts Payable	21,563
Accrued Wages and Benefits Payable	10,898
Intergovernmental Payable	4,282
Accrued Vacation Leave Payable	6,004
Claims Payable	2,762,284
Compensated Absences Payable	<u>1,543</u>
Total Current Liabilities	<u>2,806,574</u>
Non-Current Liabilities:	
Claims Payable	2,146,789
Compensated Absences Payable	<u>9,465</u>
Total Non-Current Liabilities	<u>2,156,254</u>
Total Liabilities	<u>4,962,828</u>
Net Position:	
Investment in Capital Assets	34,418
Unrestricted	<u>18,341,556</u>
Total Net Position	<u><u>\$18,375,974</u></u>

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Internal Service Funds</u>
Operating Revenues:	
Charges for Services	<u>\$34,521,033</u>
Operating Expenses:	
Salaries	84,382
Fringe Benefits	26,256
Purchased Services	2,295,340
Claims	25,442,108
Supplies and Materials	6,016
Other	100
Depreciation	<u>28,297</u>
Total Operating Expenses	<u>27,882,499</u>
Change in Net Position	6,638,534
Net Position at Beginning of Year	<u>11,737,440</u>
Net Position at End of Year	<u><u>\$18,375,974</u></u>

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Internal Service Funds</u>
Increase (Decrease) in Cash and Cash Equivalents:	
Cash Flows from Operating Activities:	
Cash Received from Interfund Services Provided	\$31,758,089
Cash Payments to Suppliers for Goods	(2,329,671)
Cash Payments to Employees for Services and Benefits	(97,663)
Cash Payments for Claims	<u>(26,673,623)</u>
 Net Increase in Cash and Cash Equivalents	 2,657,132
 Cash and Cash Equivalents Beginning of Year	 <u>20,647,252</u>
 Cash and Cash Equivalents End of Year	 <u><u>\$23,304,384</u></u>
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$6,638,534
 Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	28,297
Decrease in Accounts Receivable	11,111
Decrease in Accounts Payable	(28,221)
Increase in Accrued Wages and Benefits Payable	8,040
Decrease in Accrued Vacation Leave Payable	(88)
Decrease in Intergovernmental Payable	(2,769,812)
Decrease in Claims Payable	(1,231,515)
Increase in Compensated Absences Payable	<u>786</u>
 Net Cash Provided by Operating Activities	 <u><u>\$2,657,132</u></u>

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2015

	Private Purpose Trust Fund	Agency Fund
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$25,724	\$189,505
Liabilities:		
Due to Students		\$189,505
Net Position:		
Held in Trust for Scholarships	\$25,724	

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR FISCAL YEAR ENDED JUNE 30, 2015

	Private Purpose Trust Fund
Additions:	
Contributions and Donations	\$18,855
Deductions:	
Payments in Accordance with Trust Agreements	6,742
Change in Net Position	12,113
Net Position Beginning of Year	13,611
Net Position End of Year	\$25,724

See accompanying notes to the basic financial statements.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

**Note 1 - Description of the School District and Reporting Entity**

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

The School District is the tenth largest in the State of Ohio (among 613 school districts) in terms of enrollment. It is staffed by 1,033 certificated employees and 1,125 classified employees who provide services to 13,350 students.

*Reporting Entity*

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The School District has no component units.

The following activities are included within the reporting entity:

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

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**Note 2 - Summary of Significant Accounting Policies**

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

**Basis of Presentation**

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

*Government-Wide Financial Statements*

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

The Statement of Net Position presents the financial condition of the governmental activities of the School District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

*Fund Financial Statements*

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

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**Fund Accounting**

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

*Governmental Funds*

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

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

Bond Retirement Fund - The Bond Retirement Fund accounts for and reports property taxes restricted for the payment of general obligation bond principal and interest, specifically the general obligation bonds and notes issued in conjunction with the School District's school facilities projects.

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

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

*Proprietary Funds*

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

*Internal Service Funds*

Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District has three internal service funds: one to account for the operation of the central warehouse

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and distribution facility; another accounts for the self-insurance program, which provides medical benefits to employees; and a third account for monies collected for workers' compensation payments under the retrospective rating plan.

*Fiduciary Funds*

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

**Measurement Focus**

*Government-wide Financial Statements*

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

*Fund Financial Statements*

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

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

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

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting, and the internal service funds use the accrual basis of accounting. Differences in the accrual and the modified accrual bases of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows of resources, and in the presentation of expenses versus expenditures.

*Revenues - Exchange and Non-exchange Transactions*

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property and other local taxes, grants, entitlements, and donations. On an accrual basis, revenue from property and other local taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

*Deferred Outflows/Inflows of Resources*

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are

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reported in the government-wide Statement of Net Position for deferred charges on refunding and for pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 11.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property and other local taxes, pension, and unavailable revenue. Property and other local taxes represent amounts for which there is an enforceable legal claim as of June 30, 2015, but which were levied to finance fiscal year 2016 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables that will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental grants and interest. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide Statement of Net Position. (See Note 11)

*Expenses/Expenditures*

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**Pension**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

**Cash and Cash Equivalents**

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

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

During fiscal year 2015, the School District's investments were limited to STAROhio, Money Market Mutual Funds, Federal Farm Credit Bank Notes, Federal Home Loan Bank Bonds, Federal Home Loan Bank Note Federal Home Loan Mortgage Corporation Notes, Federal National Mortgage Notes, and US Treasury Notes. Except for non-participating investment contracts, investments are reported at fair value, which is based on quoted market prices. For investments in open-ended mutual funds, the fair value is determined by the fund's current share price.

STAROhio is an investment pool managed by the State Treasurer's Office that 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 Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's net asset value per share, which is the price the investment could be sold for on June 30, 2015.

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of investment earnings. Interest credited to the General Fund during fiscal year 2015 amounted to \$540,975, which includes \$437,397 assigned from other School District funds.

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

**Interfund Balances**

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

**Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets of the internal service fund reported in the fund financial statements are combined with the governmental activities column of the government-wide Statement of Net Position.

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Capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$5,000. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

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

**Compensated Absences**

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

The liability for vacation benefits is recorded as "accrued vacation leave payable," rather than long-term liabilities, as the balances for most employees are to be used by employees in the fiscal year following the fiscal year in which the benefit was earned.

Sick leave benefits are accrued as a liability using the vesting method, which states that the School District will estimate its liability based on sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as specified by the retirement system, as well as other employees who are expected to become eligible in the future to receive such payments. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated sick leave for all employees after 15 years of current service with the School District.

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

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

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**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the proprietary fund are reported on the fund financial statements.

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

**Fund Balances**

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

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

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

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

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the Board of Education. In the General Fund, assigned amounts represent intended uses established by the Board of Education or a School District official delegated

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that authority by resolution or by State statute. State statute authorizes the Treasurer to assign fund balance purchases on order provided such amounts have been lawfully appropriated.

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

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

**Net Position**

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

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

**Internal Activity**

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another, or within the same function, are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

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

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**Budgetary Process**

All funds, other than agency funds and the Educational Foundation special revenue fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of budgetary control has been established by the Board of Education at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

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

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

Since the statement of revenues, expenditures and changes in fund balance presented in the basic financial statements for the General Fund presents budgetary comparisons at a greater level of detail than the legal level of control established by the Board of Education, no additional schedules are necessary to demonstrate budgetary compliance.

**Bond Premiums**

For governmental activities, bond premiums are deferred and amortized over the term of the bonds using the straight-line method, since the results are not significantly different from the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds payable.

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

**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.

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**Operating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the School District’s internal service funds are charges made to other funds for the purchase of goods from the warehouse and premiums for the self-insurance program. Operating expenses for the internal service funds include the cost of goods sold from the warehouse, costs of managing and delivering those goods, and claims paid from the self-insurance and workers compensation programs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Note 3 – Change in Accounting Principal and Restatement of Net Position**

For fiscal year 2015, the School District implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2014:

Net position June 30, 2014	\$369,539,185
Adjustments:	
Net Pension Liability	(266,200,772)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>13,795,982</u>
Restated Net Position June 30, 2014	<u><u>\$117,134,395</u></u>

Other than employer contributions subsequent to the measurement date, the School District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

**Note 4 – Accountability**

At June 30, 2015, the following funds had a deficit fund balance:

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Funds	Amounts
Special Revenue:	
Miscellaneous State Grants	\$37,565
Vocational Education	6,716
Career Technical & Adult Education	464
Title I School Improvement Stimulus A	25,716
Drop Out Prevention and Intervention	3,595
Title VI-R Classroom Size Reduction	5,931
Total	\$79,987

The deficit in the Miscellaneous State Grants fund is due to deficit cash balances. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur. The deficits in all other fund balances were due to accruals in GAAP. The General Fund is liable for any deficit in these funds and will provide transfers when cash is required not when accruals occur.

**Note 5 - Budgetary Basis of Accounting**

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP) is presented for the General Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and GAAP basis are that:

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

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

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Net Change in Fund Balance	
GAAP Basis	\$7,970,016
Adjustments:	
Revenue Accruals	243,799
Expenditure Accruals	(1,046,325)
Advances	457,865
Change in Fair Market Value FY 2015	(20,513)
Change in Fair Market Value FY 2014	(3,770)
Encumbrances	(4,395,882)
Excess of revenues, and other financing sources over/(under) expenditures and other financing uses:	
Uniform School Supplies	(384)
Other Grant Rotary	6,722
Public School Support	80,457
Budget Basis	\$3,291,985

**Note 6 - Deposits and Investments**

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

Active deposits are public deposits determined to be necessary to meet current demands upon the School District treasury. Active monies must be maintained either as cash in the School District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

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2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio Local Governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) above;
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances, if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

**Deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, \$396,925 of the School District's deposits in Bank of America was exposed to custodial credit risk because it was uninsured and uncollateralized with securities held by the pledging financial institution. Also, the Bank of America is not an authorized public depository in the State of Ohio.

*Investments:* As of June 30, 2015, the School District had the following investments:

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	Fair Value	Due in One Year	Due in 1-3 Years	Due in 4-5 Years	S&P/ Moody's Rating	Concentration of Credit Risk
STAROhio	\$735,313	\$735,313	\$0	\$0	AAAm	N/A
Dayton Foundation	858,045	858,045	0	0	N/A	N/A
Money Market Mutual Funds	22,090,797	22,090,797	0	0	AAAm	N/A
Federal Farm Credit Bank Notes	3,175,032	0	3,175,032	0	Aaa	N/A
Federal Home Loan Bank Bonds	1,525,183	0	0	1,525,183	Aaa	N/A
Federal Home Loan Bank Notes	6,387,608	2,261,309	4,126,299	0	Aaa	9.44%
Federal Home Loan Mortgage Corporation Notes	7,057,993	942,945	4,710,901	1,404,147	Aaa	10.43%
Federal National Mortgage Notes	17,219,913	1,711,875	13,515,198	1,992,840	Aaa	25.46%
US Treasury Notes	8,597,623	3,250,116	5,347,507	0	N/A	N/A
Total	<u>\$67,647,507</u>	<u>\$31,850,400</u>	<u>\$30,874,937</u>	<u>\$4,922,170</u>		

*Interest Rate Risk*

The Ohio Revised Code and the Investment and Depository Policy of the School District limits the purchase of securities to those with a maturity of no more than five years from the date of purchase unless matched to a specific obligation or debt of the School District.

*Credit Risk*

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

*Custodial Credit Risk*

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

*Concentration of Credit Risk*

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

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**Note 7 - Property Taxes**

Property taxes are levied and assessed on a calendar year basis, while the School District's fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2015 represents collections of calendar year 2014 taxes. Real property taxes received in calendar year 2015 were levied after April 1, 2014, on the assessed value listed as of January 1, 2014, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2015 represents collections of calendar year 2014 taxes. Public utility real and tangible personal property taxes received in calendar year 2015 became a lien December 31, 2013, were levied after April 1, 2014, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Montgomery County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2015 are available to finance fiscal year 2015 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes that are measurable as of June 30, 2015 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

The amount available as an advance at June 30, 2015 was \$4,724,073 and is recognized as revenue: \$3,747,605 in the General Fund, \$897,080 in the Bond Retirement Debt Service Fund, \$39,694 in the Permanent Improvement Fund, and \$39,694 in the Other Governmental Funds. The amount available as an advance at June 30, 2014 was \$4,392,777 and is recognized as revenue: \$3,412,861 in the General Fund, \$904,954 in the Bond Retirement Debt Service Fund, \$37,481 in the Permanent Improvement Fund and \$37,481 in the Other Governmental Funds.

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

The assessed values upon which fiscal year 2015 taxes were collected are:

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	<u>2014 Second-Half Collection</u>		<u>2015 First-Half Collection</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$1,466,344,310	94.19%	\$1,328,401,510	93.42%
Public Utility	<u>90,396,100</u>	<u>5.81%</u>	<u>93,576,040</u>	<u>6.58%</u>
Total Assessed Value	<u><u>\$1,556,740,410</u></u>	<u><u>100.00%</u></u>	<u><u>\$1,421,977,550</u></u>	<u><u>100.00%</u></u>
Tax Rate per \$1,000	\$79.85		\$79.85	

**Note 8 - Receivables**

Receivables at June 30, 2015 consisted of property and other local taxes, accounts, intergovernmental grants, accrued interest, and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables, except delinquent property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
<u>Governmental Activities:</u>	
<i>General Fund:</i>	
Due from Other Governments	\$65,172
<i>Nonmajor Governmental Funds</i>	
Alternative Schools State Grant	\$56,056
Public School Preschool	46,558
Race to the Top	381,396
Special Education Part B, IDEA Grant	2,036,060
Dropout Prevention and Intervention	56,614
Title VI-R Classroom Size Reduction	1,685,037
Vocational Education	116,476
High Schools That Work	2,220
Early Childhood Special Education, IDEA Grant	56,236
Title I Grant	4,710,875
Title I School Improvement Stimulus A	975,270
Stimulus School Improvement Subsidy G	465,206
Miscellaneous Grants	88,232
Total Intergovernmental Receivables	<u><u>\$10,741,408</u></u>

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**Note 9 - Capital Assets**

Capital assets activity for the year ended June 30, 2015 was as follows:

	Balance 6/30/2014	Additions	Deductions	Balance 6/30/2015
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$9,212,079	\$0	\$0	\$9,212,079
Capital Assets Being Depreciated:				
Buildings and Improvements	501,182,373	0	0	501,182,373
Furniture, Fixtures, and Equipment	17,848,491	358,026	0	18,206,517
Vehicles	19,389,386	29,470	0	19,418,856
Total Capital Assets Being Depreciated	538,420,250	387,496	0	538,807,746
Less Accumulated Depreciation:				
Buildings and Improvements	(47,997,491)	(19,201,699)	0	(67,199,190)
Furniture, Fixtures, and Equipment	(9,733,890)	(1,106,425)	0	(10,840,315)
Vehicles	(13,814,480)	(1,790,413)	0	(15,604,893)
Total Accumulated Depreciation	(71,545,861)	(22,098,537)*	0	(93,644,398)
Capital Assets Being Depreciated, Net	466,874,389	(21,711,041)	0	445,163,348
Governmental Activities Capital Assets, Net	\$476,086,468	(\$21,711,041)	\$0	\$454,375,427

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

Instruction:	
Regular	\$45,738
Special	165,577
Vocational	316,022
Support Services:	
Pupils	12,519
Instructional Staff	84,374
Administration	14,369
Business	18,224
Operation and Maintenance of Plant	131,526
Pupil Transportation	1,672,365
Central	311,597
Operation of Non-Instructional Services	78,598
Extracurricular Activities	45,929
	2,896,838
Unallocated Depreciation	19,201,699
Total Depreciation Expense	\$22,098,537

**DAYTON CITY SCHOOL DISTRICT  
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Unallocated depreciation is depreciation of the individual school buildings throughout the School District which essentially serve all functions/programs and, therefore, is not included as a direct expense of any function or program but disclosed as a separate expense.

**Note 10 - Risk Management**

**Property and Liability**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For the fiscal year, the School District contracted with United Educators for general liability/school leaders errors and omissions insurance with a \$5 million single occurrence limit and a \$5 million annual policy aggregate. Buildings and contents are covered under Westport Insurance Corporation with a \$250,000 deductible.

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

The School District's vehicles are covered under a business policy with United Educators for primary coverage. This policy carries \$5 million limit for bodily injury and property damage to third parties. The auto liability self-insured retention is \$200,000 per accident. The School District self-insures the physical damage coverage on all units.

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has not been a significant reduction in insurance coverage from last fiscal year.

**Self-Insured Health Benefits**

The School District provides health insurance coverage through a self-insurance plan administered by United Health Care of Ohio, Inc. Employee share of the total monthly premium is 15 percent. The premium varies with each employee depending on the terms of the union contract. United Health Care provides claims review and processing services. The health self-insurance program is accounted for in the Internal Service Fund. The School District purchases stop-loss coverage for claims in excess of \$350,000 per employee, per occurrence.

The liability for unpaid claims of \$2,569,000 reported in the Internal Service Fund at June 30, 2015 is based on the requirements of GASB Statement No. 10, "*Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*," as amended by GASB Statement No. 30, "*Risk Management Omnibus*," which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Estimates were calculated based upon an independent actuarial evaluation of claims payable. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claims adjustment expenses. The School District is responsible for all claims.

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

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2014	\$2,829,000	\$28,289,194	\$28,085,194	\$3,033,000
2015	3,033,000	24,941,265	25,405,265	2,569,000

**Workers' Compensation**

Beginning January 1 2015, the School District participated in the Ohio SchoolComp Group Retrospective Rating Program. CompManagement LLC is the claims administrator. The risk exposure in the Group program is lower because it is capped at 15% of the standard premium whereas the Individual program is capped at 200%. Claims costs are paid by the group not the School District. In addition, retrospective refunds are achieved when the standard premium of the group exceeds the developed claims costs. BWC will be transitioning to a prospective billing system that collects premiums before extending coverage. Public employers will receive a 50% transition credit for 2015 and a 50% transition credit for 2016 both payable in 2016.

2015 Workers' Compensation Comparison	Individual Retrospective Rating	Group Retrospective Rating
Premium Payment (Less 50% Credit)	\$388,870	\$988,912
Estimated Claims Cost (Over 10 Years)	751,666	0
Estimated Rebate at 20%	0	(347,850)
Estimated Net Premium	<u>\$1,140,536</u>	<u>\$641,062</u>
Premium Payment	\$3,478,506	\$988,912
BWC Assessments	238,571	0
Maximum Group Retro Assessment at 15%	0	260,888
Maximum Risk Exposure	<u>\$3,717,077</u>	<u>\$1,249,800</u>

For calendar years 2006 – December 31 2014, the School District participated in an Individual Retrospective Rating Program. This alternative rating plan allows employers to initially pay a low premium upfront while assuming the responsibility of paying the costs of the claims that occur for the injury year for a ten-year period. Under this Program, the District's maximum payment is 200 percent of the initial premium in total and the loss for any School individual is limited to \$400,000.

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The following table summarizes claims payable during the fiscal year:

	<u>Balance at</u> <u>Beginning of Year</u>	<u>Current Year</u> <u>Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Balance at</u> <u>End of Year</u>
2014	\$2,947,761	\$863,980	\$704,153	\$3,107,588
2015	3,107,588	500,843	1,268,358	2,340,073

**Note 11 - Defined Benefit Pension Plans**

**Net Pension Liability**

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the School District’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the School District’s obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions are financed; however, the School District does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

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**Plan Description - School Employees Retirement System (SERS)**

Plan Description – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

\* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary, and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2015, the allocation to pension, death benefits, and Medicare B was 13.18 percent. The remaining 0.82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$4,589,095 for fiscal year 2015. Of this amount \$157,723 is reported as an intergovernmental payable.

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**Plan Description - State Teachers Retirement System (STRS)**

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS’ fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](http://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. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among 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. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member’s defined contribution account or the defined contribution portion of a member’s Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

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A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability 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.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$9,532,333 for fiscal year 2015. Of this amount \$937,902 is reported as an intergovernmental payable.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$58,364,921	\$165,901,827	\$224,266,748
Proportion of the Net Pension Liability	1.153242000%	0.682065060%	
Pension Expense	\$3,499,746	\$6,433,557	\$9,933,303

At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$496,748	\$1,597,165	\$2,093,913
School District contributions subsequent to the measurement date	<u>4,589,095</u>	<u>9,532,333</u>	<u>14,121,428</u>
Total Deferred Outflows of Resources	<u>\$5,085,843</u>	<u>\$11,129,498</u>	<u>\$16,215,341</u>
<b>Deferred Inflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	<u>\$9,472,791</u>	<u>\$30,692,467</u>	<u>\$40,165,258</u>

\$14,121,428 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2016	(\$2,242,756)	(\$7,273,825)	(\$9,516,581)
2017	(2,242,756)	(7,273,825)	(9,516,581)
2018	(2,242,756)	(7,273,826)	(9,516,582)
2019	<u>(2,247,775)</u>	<u>(7,273,826)</u>	<u>(9,521,601)</u>
Total	<u>(\$8,976,043)</u>	<u>(\$29,095,302)</u>	<u>(\$38,071,345)</u>

**Actuarial Assumptions - SERS**

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the

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death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2014, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	<u>15.00</u>	7.50
Total	<u>100.00 %</u>	

**Discount Rate** The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current

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plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

***Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$83,269,397	\$58,364,921	\$37,418,104

**Actuarial Assumptions - STRS**

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and not set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
 Total	 <u>100.00 %</u>	

**Discount Rate** The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2014.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
School District's proportionate share of the net pension liability	\$237,506,554	\$165,901,827	\$105,348,325

**Note 12 - Postemployment Benefits**

**School Employee Retirement System**

Health Care Plan Description – The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity

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plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. 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.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2015, 0.82 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2015, this amount was \$20,450. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2015, the School District's surcharge obligation was \$388,171.

The School District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$754,093, \$577,439, and \$570,319, respectively. For fiscal year 2014, 72.48 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2014 and 2013.

**State Teachers Retirement System of Ohio**

Plan Description – The School District participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio, which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2015, STRS Ohio did not allocate any employer contributions to post-employment health care. The

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School District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$0, \$746,049, and \$713,547 respectively. The full amount has been contributed for fiscal years 2015, 2014 and 2013.

**Note 13 - Employee Benefits**

**Compensated Absences**

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Vacation days are credited to classified employees each month and may be accrued up to a maximum of the number of days earned during the fiscal year. Vacation days in excess of the annual number of days earned by the employee may be carried forward only with the approval of the superintendent. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 250 days. Upon retirement, payment is made for one-fourth of the total accumulated and unused sick leave, up to a maximum of 180 days for teachers and administrators and 160 days for classified employees. In addition, classified employees are subject to the following additional sick leave based on length of service:

<u>Length of Service</u>	<u>Pay-days</u>
Less than five years	0 Days
Five years to 15 years	30 Days
15 years to 25 years	35 Days
Over 25 years	45 Days

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

**Insurance**

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

**Deferred Compensation**

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

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**Note 14 - Long-Term Obligations**

The changes in the School District's long-term obligations during fiscal year 2015 were as follows:

	Balance 6/30/2014	Increase	Decrease	Balance 6/30/2015	Due within One Year
<b>General Obligation Bonds:</b>					
2012 Equipment Acquisition:					
2.0-3.0 percent	\$2,445,000	\$0	\$50,000	\$2,395,000	\$275,000
2013 School Construction					
Refunding Bonds Series A					
1.5-5.0 percent					
Serial Bonds	80,815,000	0	0	80,815,000	8,735,000
Capital Appreciation Bonds	6,594,989	0	6,594,989	0	0
Accretions	2,103,208	16,803	2,120,011	0	0
2013 School Construction					
Refunding Bonds Series B					
2.0-3.0 percent	3,440,000	0	315,000	3,125,000	320,000
2014 School Construction and					
Improvement Unlimited Tax					
Bonds Series 2014 1.0 - 5.0 percent	0	90,360,000	0	90,360,000	30,000
Add: Unamortized Bond Premium	14,387,713	16,380,001	2,270,754	28,496,960	0
<b>Total General Obligation Bonds</b>	<b>109,785,910</b>	<b>106,756,804</b>	<b>11,350,754</b>	<b>205,191,960</b>	<b>9,360,000</b>
<b>Other Long-Term Liabilities:</b>					
QZAB Bonds - 0.0 percent	10,000,000	0	0	10,000,000	0
Cash Flow Hedging Derivative					
Instrument	18,612,870	0	18,612,870	0	0
Refunded Certificates of Participation	14,260,000	0	540,000	13,720,000	585,000
2014 SFC Improvement Tax					
Refunding Notes					
1.25 percent	93,450,000	0	93,450,000	0	0
Add: Unamortized Note Premium	801,401	0	290,080	511,321	0
Long-Term Tax Anticipation Notes	350,000	0	350,000	0	0
Net Pension Liability					
SERS	68,579,600	0	10,214,679	58,364,921	0
STRS	197,621,172	0	31,719,345	165,901,827	0
<b>Total Net Pension Liability</b>	<b>266,200,772</b>	<b>0</b>	<b>41,934,024</b>	<b>224,266,748</b>	<b>0</b>
Compensated Absences Payable	4,266,909	864,775	849,429	4,282,255	600,343
Claims Payable	6,140,588	25,442,108	26,673,623	4,909,073	2,762,284
<b>Total Other Long-Term Liabilities</b>	<b>414,082,540</b>	<b>26,306,883</b>	<b>182,700,026</b>	<b>257,689,397</b>	<b>3,947,627</b>
<b>Long-Term Obligations</b>	<b>\$523,868,450</b>	<b>\$133,063,687</b>	<b>\$194,050,780</b>	<b>\$462,881,357</b>	<b>\$13,307,627</b>

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

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

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

On October 15, 2013, the School District issued \$93,450,000 in 2014 School Construction Tax Refunding Notes for the purpose of current refunding \$93,455,000 of outstanding 2013 School Construction Tax Refunding Notes. These notes were retired on October 1, 2014 with the issuance of the 2014 School Construction and Improvement Unlimited Tax Bonds Series 2014.

On October 1, 2014, the School District issued \$90,360,000 School Facilities Construction and Improvement Unlimited Tax Refunding Bonds, Series 2014. The bonds were issued for the purpose of currently refunding the \$93,450,000 School Facilities Construction and Improvement Unlimited Tax Refunding Notes. Based on the terms of the swap agreement the refunded note was viewed as a long-term obligation. In addition, proceeds from the sale of the bonds were used to terminate the Series 2003A Interest Rate Swap with the Bank of New York Mellon. The termination value of the Hedge Agreement was \$17,846,129.

The School District decreased its total debt service payments by \$7,918,819 as a result of the refunding. The School District also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$4,428,469, but incurred an accounting loss of \$17,846,129 (difference between reacquisition price and net carrying amount of the old debt), which is shown in the following table:

2014 School Facilities Construction Improvement Tax Refunding Notes

Notes Outstanding	\$93,450,000
Premium on Notes	258,117
Total Bonds Outstanding	93,708,117
Principal Payment	(5,425,000)
Amortization of Premium	(258,117)
Deferred outflow of resources	(17,846,129)
Payment for current refunding	(88,025,000)
2014 School Facilities Construction Refunding Bonds Accounting Loss	(17,846,129)

The bonds were sold at a premium of \$16,380,001.

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

Fiscal Year Ended June 30,	General Obligation Bonds		Total
	Principal	Interest	
2016	\$9,360,000	\$7,992,897	\$17,352,897
2017	9,810,000	7,663,425	17,473,425
2018	10,185,000	7,232,213	17,417,213
2019	10,700,000	6,768,088	17,468,088
2020	11,135,000	6,307,050	17,442,050
2021-2025	54,585,000	23,359,288	77,944,288
2026-2030	41,905,000	9,773,625	51,678,625
2031-3033	29,015,000	1,840,875	30,855,875
Total	<u>\$176,695,000</u>	<u>\$70,937,461</u>	<u>\$247,632,461</u>

*Interest Rate Swap* - On October 13, 2009, the School District entered into two separate swaption agreements with the Bank of New York, Mellon (the Bank) tied to the outstanding 2003 Series A and Series D Bonds. The Bank purchased options to execute the swaptions and create swaps beginning in April 2013. On March 28, 2013, the swaption on the Series D Bonds was terminated

The swaptions were both priced “At-The-Market” on October 13, 2009 (the “Trade Date”). An At-The-Money option is one in which the forward rate of the underlying swap is the strike rate of the options. As each option was set at the forward rate, the options had no intrinsic value based on a rate that was higher than the current market at the time of pricing. The full amount received by the School District represents the pure option premium of the underlying swaps at their respective forward rates.

The Bank paid the School District \$6,655,000 on the 2003 A issue and \$3,030,000 on the 2003 D issue for the Options. Proceeds from the swaptions along with related fees were recorded in the School District’s Permanent Improvement Fund, a major governmental fund, to be used for various capital projects. These amounts were amortized using the straight-line method over the life of the swaption.

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

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

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Both the note rate and the LIBOR Index are reset and payable annually on October 15th. Additionally, the notional amount of the swap is equal to the par amount of the Refunding Notes and both are set to mature on September 1, 2031, thus the notes are treated as long-term. However, on October 1, 2014 the School District issued \$90,360,000 in bonds to refund the notes and terminate the hedge. Since the 2003 swap agreement was terminated prior to the stated termination date, the School District paid a termination fee of \$17,846,129.

As of June 30, 2014, the swap had a negative fair value of \$18,612,870 estimated based on the original price paid by the Bank on the Trade Date and the closing curves for the interest rate swaps and volatilities as provided by Bloomberg for June 30, 2014. Changes in fair value at the time of termination were reported on the statement of net position as a decrease in deferred outflows of resources and long-term liability due in more than one year.

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

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2016	\$585,000	\$532,775	\$1,117,775
2017	630,000	520,625	1,150,625
2018	675,000	504,200	1,179,200
2019	730,000	481,300	1,211,300
2020	785,000	452,825	1,237,825
2021-2025	4,915,000	1,748,463	6,663,463
2026-2029	5,400,000	457,763	5,857,763
Total	<u>\$13,720,000</u>	<u>\$4,697,951</u>	<u>\$18,417,951</u>

*Qualified Zone Academy Bond* - In August 2000, the School District was authorized to issue \$10 million in Quality Zone Academy Bonds (QZAB) in accordance with Section 226 of the Taxpayer Relief Act of 1997 (Public Law 105-34) for use in the renovations of the Stivers Middle School and the creation of an arts program in Dayton. On December 30, 2002, the School District issued the \$10 million QZAB that matures on December 30, 2016. The entire principal balance of \$10 million is due at maturity, and the bonds do not bear interest. To satisfy escrow requirements of the program, the School District placed \$5.1 million, which has a current market value of \$9.9 million, in an escrow account with a local bank. This amount is included as Cash and Cash Equivalents with Fiscal Agents on the Statement of Net Position, as well as the nonmajor governmental funds.

*Long-Term Tax Anticipation Notes* - On June 9, 2004, the School District issued \$3.5 million of long-term tax anticipation notes to provide financing for various capital improvements throughout the School District. These notes were issued in anticipation of the collection of half of the proceeds of the one mill permanent improvement levy approved by electors of the School District on

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November 5, 2002 and the notes were paid off during fiscal year 2015 with a principal and interest payment of \$350,000 and \$6,405, respectively. One half of the one mill permanent improvement levy equaled \$615,618.

The School District pays obligations related to employee compensation from the fund benefitting from their service. See Note 11 for additional information related to the net pension liability. Compensated absences will be paid from General Fund, Auxiliary Services Fund, Alternative Schools Fund, Welcome Stadium Fund, Title VI-B Fund, Vocational Education Fund, Title I School Improvement Subsidy G Fund, Title I Fund, IDEA Preschool Grant Fund Title VI-R Classroom Size Reduction Fund, Food Service Fund, and Retrospective Workers' Comp Fund.

Due to the magnitude of the school facilities construction project, the debt issued by the School District exceeded the overall debt margin as permitted by Ohio statute. However, the School District was declared a "special needs" school district, as defined by Section 133.06 of the Ohio Revised Code, by the Superintendent of Public Instruction. Under this special exemption, the School District's capacity for additional debt is approximately \$28.0 million.

**Note 15 - Interfund Activity**

As of June 30, 2015, the General Fund had an interfund receivable of \$1,819,336, while the nonmajor governmental funds had interfund payables of \$1,819,336.

General Fund advances are made to move unrestricted balances to support programs and projects accounted for in other funds. Advancing monies to other funds is necessary due to timing differences in the receiving of grant monies. When the monies are finally received, the grant fund will use these restricted monies to reimburse the General Fund for the initial advance expected to be repaid within a year.

The transfers between the Permanent Improvement Fund and the nonmajor governmental funds were to move unspent monies from the Building and Classroom Facilities Capital Projects Funds in the amount of \$17,475,949 and \$4,024,051, respectively. The Ohio School Facilities Construction project has been completed, so any unspent monies may be transferred to the Permanent Improvement Fund. The transfer was approved by the Board of Education.

**Note 16 - Set-Aside Calculations**

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

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

	Capital Acquisitions
Set Aside Balance as of June 30, 2014	\$0
Current Fiscal Year Set-aside Requirement	2,353,422
Qualifying Disbursements	(105,699)
Current Fiscal Year Revenue Off-Sets	(2,247,723)
Subtotal	\$0
Set Aside Balance as of June 30, 2015	\$0

Amounts of offsets and qualifying disbursements presented in the table for the capital acquisitions were limited to those necessary to reduce the fiscal year-end balance to zero.

**Note 17 – Significant Commitments**

**Encumbrances**

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

General Fund	\$4,395,882
Nonmajor Funds	5,059,280
Total	\$9,455,162

**Note 18 – Fund Balances**

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

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Fund Balances	General Fund	Bond Retirement Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total
<i><b>Nonspendable</b></i>					
Unclaimed Monies	\$245,050	\$0	\$0	\$0	\$245,050
<i><b>Restricted for</b></i>					
Debt Service	0	2,727,977	0	0	2,727,977
Permanent Improvements	0	0	21,336,459	0	21,336,459
Building Project	0	0	0	315,436	315,436
Classroom Facilities Programs	0	0	0	9,988,171	9,988,171
Food Service Operations	0	0	0	7,199,611	7,199,611
Special Trust	0	0	0	204,286	204,286
District Managed Student Activities	0	0	0	97,414	97,414
Maintenance of Classroom Facilities	0	0	0	8,205,965	8,205,965
State and Federal Grants	0	0	0	2,176,442	2,176,442
<i>Total Restricted</i>	<u>0</u>	<u>2,727,977</u>	<u>21,336,459</u>	<u>28,187,325</u>	<u>52,251,761</u>
<i><b>Assigned to</b></i>					
Purchases On Order	3,065,044	0	0	0	3,065,044
<i><b>Unassigned (Deficit)</b></i>					
	1,037,233	0	0	(79,987)	957,246
<i>Total Fund Balances</i>	<u>\$4,347,327</u>	<u>\$2,727,977</u>	<u>\$21,336,459</u>	<u>\$28,107,338</u>	<u>\$56,519,101</u>

**Note 19 - Contingencies**

**Grants**

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2015, if applicable, cannot be determined at this time.

**School Foundation**

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015

adjustments to the June 30, 2015 Foundation funding for the School District, therefore, any financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or a liability of the School District.

**Litigation**

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

**Note 20 – Compliance**

At June 30, 2015, the following funds had appropriations exceeding estimated resources.

Fund Name	Estimated Resources	Appropriations	Variances
Other Grants Funds	\$278,182	\$286,509	(\$8,327)
District Managed Student Activities Fund	240,843	270,438	(29,595)
Alternative Schools Fund	103,348	155,185	(51,837)
Miscellaneous State Grants Fund	101,041	157,234	(56,193)
Race to the Top Fund	667,439	1,046,652	(379,213)
Title VI-B Fund	3,539,345	5,593,911	(2,054,566)
Vocational Education Fund	599,252	718,177	(118,925)
Title I School Improvement Stimulus A Fund	473,427	1,518,699	(1,045,272)
Stimulus School Improvement Subsidy G Fund	681,411	978,020	(296,609)
Dropout Prevention and Intervention Fund	162,645	201,824	(39,179)
Title I Fun	11,875,351	18,002,956	(6,127,605)
EHA Preschool Grants for the Handicapped Fund	137,076	189,310	(52,234)
Title VI-R Classroom Size Reduction Fund	2,205,179	3,853,877	(1,648,698)
Miscellaneous Federal Grants Fund	341,689	392,451	(50,762)

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO  
 LAST TWO FISCAL YEARS (1)

	2014	2013
School District's Proportion of the Net Pension Liability	1.153242000%	1.153242000%
School District's Proportionate Share of the Net Pension Liability	\$58,364,921	\$68,579,600
School District's Covered-Employee Payroll	\$34,187,458	\$32,957,366
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	170.72%	208.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.70%	65.52%

(1) Information prior to 2013 is not available.

Amounts presented as of the School District's measurement date which is the prior fiscal year end.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 STATE TEACHERS RETIREMENT SYSTEM OF OHIO  
 LAST TWO FISCAL YEARS (1)

	2014	2013
School District's Proportion of the Net Pension Liability	0.682065060%	0.682065060%
School District's Proportionate Share of the Net Pension Liability	\$165,901,827	\$197,621,172
School District's Covered-Employee Payroll	\$69,673,843	\$71,077,531
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	238.11%	278.04%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	69.30%

(1) Information prior to 2013 is not available.

Amounts presented as of the School District's measurement date which is the prior fiscal year end.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO  
LAST TEN FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$4,589,095	\$4,738,382	\$4,561,300	\$4,611,327
Contributions in Relation to the Contractually Required Contribution	<u>(4,589,095)</u>	<u>(4,738,382)</u>	<u>(4,561,300)</u>	<u>(4,611,327)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered-Employee Payroll	\$34,818,629	\$34,187,458	\$32,957,366	\$34,284,961
Contributions as a Percentage of Covered-Employee Payroll	13.18%	13.86%	13.84%	13.45%

2011	2010	2009	2008	2007	2006
\$3,905,320	\$6,186,558	\$3,297,255	\$2,951,749	\$5,044,185	\$4,745,951
<u>(3,905,320)</u>	<u>(6,186,558)</u>	<u>(3,297,255)</u>	<u>(2,951,749)</u>	<u>(5,044,185)</u>	<u>(4,745,951)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$31,068,577	\$45,690,978	\$33,508,691	\$30,058,548	\$47,230,197	\$44,857,760
12.57%	13.54%	9.84%	9.82%	10.68%	10.58%

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS  
 STATE TEACHERS RETIREMENT SYSTEM OF OHIO  
 LAST TEN FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$9,532,333	\$9,057,600	\$9,240,079	\$9,622,262
Contributions in Relation to the Contractually Required Contribution	<u>(9,532,333)</u>	<u>(9,057,600)</u>	<u>(9,240,079)</u>	<u>(9,622,262)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered-Employee Payroll	\$68,088,093	\$69,673,843	\$71,077,531	\$74,017,400
Contributions as a Percentage of Covered-Employee Payroll	14.00%	13.00%	13.00%	13.00%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$10,057,416	\$10,165,329	\$10,031,773	\$9,421,069	\$10,970,120	\$11,284,790
<u>(10,057,416)</u>	<u>(10,165,329)</u>	<u>(10,031,773)</u>	<u>(9,421,069)</u>	<u>(10,970,120)</u>	<u>(11,284,790)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$77,364,738	\$78,194,838	\$77,167,485	\$72,469,762	\$84,385,538	\$86,806,077
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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**Combining Financial Statements and  
Individual Fund Schedules**

**Dayton City School District**  
*Nonmajor Fund Descriptions*

**Special Revenue Funds**

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

**Nonmajor Special Revenue Funds**

**Other Grants Fund**

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

**Education Foundation Fund**

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

**Maintenance of Classroom Facilities Fund**

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

**District Managed Student Activities Fund**

A fund used to account for and report local monies restricted to assist student activities, which are managed by School District personnel. This fund would usually include athletic programs, but could also include the band, cheerleaders, flag corps, and other similar types of activities.

**Auxiliary Services Fund**

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

**Public School Preschool Fund**

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

**Entry Year Program Fund**

A fund used to account for and report State grants aimed at providing restricted funding to the School District for structured training of entry level teachers.

**Data Communications Fund**

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

*(continued)*

**Dayton City School District**  
*Nonmajor Fund Descriptions*  
(continued)

Vocational Education Enhancement Fund

A fund used to account for and report grant monies restricted for providing vocational education enhancements that expand the number of students enrolled in tech programs, and also enables students to develop career plans, to identify initial educational and career goals, and to develop a career passport which provides a clear understanding of the student's knowledge, skills and credentials to present to future employers, universities, and other training institutes. This fund is also used to replace or update equipment essential for the instruction of students in job skills taught as part of a vocational program or programs approved for such instruction by the State Board of Education.

Alternative Schools Fund

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

Miscellaneous State Grants Fund

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

Race to the Top Fund

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

Title VI-B Fund

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

Vocational Education Fund

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

Career Technical and Adult Education Fund

A fund used to account for and report grant monies restricted for providing career technical education program for existing students and adults. This fund had no cash activity during fiscal year 2015, therefore there is no budgetary statement presented.

Title I School Improvement Stimulus A Fund

A fund used to account for and report federal funds restricted to providing supplemental funding to economically disadvantaged districts and some of their eligible schools for improving educational outcomes for students who are failing or at risk of failing to meet State standards.

Stimulus School Improvement Subsidy G Fund

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

(continued)

**Dayton City School District**  
*Nonmajor Fund Descriptions*  
(continued)

Dropout Prevention and Intervention Fund

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

Title I Fund

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

EHA Preschool Grants for the Handicapped Fund

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

Title VI-R Classroom Size Reduction Fund

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

Miscellaneous Federal Grants Fund

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

Special Trust Fund

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

Food Service Fund

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

Welcome Stadium Fund

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

Uniform School Supplies Fund

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

Other Grant Rotary Fund

A fund used to account for and report a grant that Wright State University receives from the Department of Education. A portion of the grant is received by the School District, from Wright State University, for the Reading Recovery Program. This fund is included with the General Fund for GAAP reporting as it does not have restricted or committed revenue source.

Public School Support Fund

A fund used to account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sale of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs. This fund is included with the General Fund for GAAP reporting as it does not have restricted or committed revenue source.

**Dayton City School District**  
*Nonmajor Fund Descriptions*  
(continued)

**Capital Projects Funds**

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned for the financing and acquisition or construction of major capital facilities, such as new school buildings and additions to existing buildings, or for major renovation projects, other than those financed by proprietary funds.

**Nonmajor Capital Projects Funds**

**Building Fund**

A fund used to account for and report restricted financial resources, including proceeds from the sale of debt obligations, other local funds, and construction costs associated with the local initiatives involved in the School District's school facilities project.

**Classroom Facilities Fund** – The Classroom Facilities Fund accounts for and reports restricted financial resources, including intergovernmental capital grants, proceeds from the sale of debt obligations and interest received, and construction costs associated with the basic requirements of the master plan associated with the School District's school facilities projects.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$19,285,300	\$373,236	\$19,658,536
Cash and Cash Equivalents with Fiscal Agent	858,044	8,563,600	9,421,644
Receivables:			
Property and Other Local Taxes	996,005	0	996,005
Accounts	48,498	0	48,498
Intergovernmental	10,676,236	0	10,676,236
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agents	0	1,372,400	1,372,400
<b>Total Assets</b>	<b>\$31,864,083</b>	<b>\$10,309,236</b>	<b>\$42,173,319</b>
<u>Liabilities:</u>			
Accounts Payable	\$722,887	\$0	\$722,887
Accrued Wages and Benefits Payable	1,171,070	4,103	1,175,173
Intergovernmental Payable	694,754	1,526	696,280
Interfund Payable	1,819,336	0	1,819,336
Matured Compensated Absences Payable	61,499	0	61,499
<b>Total Liabilities</b>	<b>4,469,546</b>	<b>5,629</b>	<b>4,475,175</b>
<u>Deferred Inflows of Resources:</u>			
Property and Other Local Taxes	513,258	-	513,258
Unavailable Revenue	9,077,548	-	9,077,548
<b>Total Deferred Inflows of Resources</b>	<b>9,590,806</b>	<b>-</b>	<b>9,590,806</b>
<u>Fund Balances:</u>			
Restricted	17,883,718	10,303,607	28,187,325
Unassigned (Deficit)	(79,987)	0	(79,987)
<b>Total Fund Balances</b>	<b>17,803,731</b>	<b>10,303,607</b>	<b>28,107,338</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$31,864,083</b>	<b>\$10,309,236</b>	<b>\$42,173,319</b>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Property and Other Local Taxes	\$615,618	\$0	\$615,618
Intergovernmental	33,889,753	0	33,889,753
Investment Earnings	54,414	82,653	137,067
Gifts and Donations	7,780	0	7,780
Customer Sales and Services	1,139,326	0	1,139,326
Extracurricular Activities	521,919	0	521,919
Miscellaneous	123,084	0	123,084
<b>Total Revenues</b>	<b>36,351,894</b>	<b>82,653</b>	<b>36,434,547</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	4,811,440	5,643	4,817,083
Special	6,164,987	0	6,164,987
Vocational	375,386	0	375,386
Student Intervention Services	42,083	0	42,083
<b>Support Services:</b>			
Pupils	1,309,398	0	1,309,398
Instructional Staff	6,591,764	0	6,591,764
Administration	643,772	1,236,865	1,880,637
Fiscal	207,305	0	207,305
Operation and Maintenance of Plant	1,619,603	975,949	2,595,552
Pupil Transportation	604,972	0	604,972
Central	277,387	0	277,387
Operation of Non-Instructional Services	10,779,206	0	10,779,206
Extracurricular Activities	481,534	0	481,534
Capital Outlay	0	406,562	406,562
<b>Total Expenditures</b>	<b>33,908,837</b>	<b>2,625,019</b>	<b>36,533,856</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>2,443,057</b>	<b>(2,542,366)</b>	<b>(99,309)</b>
<b>Other Financing Sources (Uses):</b>			
Transfers Out	0	(21,500,000)	(21,500,000)
<b>Net Change in Fund Balance</b>	<b>2,443,057</b>	<b>(24,042,366)</b>	<b>(21,599,309)</b>
<b>Fund Balance at Beginning of Year</b>	<b>15,360,674</b>	<b>34,345,973</b>	<b>49,706,647</b>
<b>Fund Balance at End of Year</b>	<b>\$17,803,731</b>	<b>\$10,303,607</b>	<b>\$28,107,338</b>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2015

	Other Grants Fund	Education Foundation Fund	Maintenance of Classroom Facilities Fund	District Managed Student Activities Fund
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$240,105	\$0	\$8,518,900	\$102,219
Cash and Cash Equivalents with Fiscal Agent	0	858,044	0	0
<u>Receivables:</u>				
Property and Other Local Taxes	0	0	996,005	0
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
<b>Total Assets</b>	<b>\$240,105</b>	<b>\$858,044</b>	<b>\$9,514,905</b>	<b>\$102,219</b>
<u>Liabilities:</u>				
Accounts Payable	\$15,222	\$0	\$70,432	\$4,805
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Interfund Payable	0	200,000	282,197	0
Matured Compensated Absences Payable	0	0	0	0
<b>Total Liabilities</b>	<b>15,222</b>	<b>200,000</b>	<b>352,629</b>	<b>4,805</b>
<u>Deferred Inflows of Resources:</u>				
Property and Other Local Taxes	0	0	513,258	0
Unavailable Revenue	0	0	443,053	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>956,311</b>	<b>0</b>
<u>Fund Balances:</u>				
Restricted	224,883	658,044	8,205,965	97,414
Unassigned (Deficit)	0	0	0	0
<b>Total Fund Balances (Deficit)</b>	<b>224,883</b>	<b>658,044</b>	<b>8,205,965</b>	<b>97,414</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$240,105</b>	<b>\$858,044</b>	<b>\$9,514,905</b>	<b>\$102,219</b>

Auxiliary Services Fund	Public School Preschool Fund	Data Communications Fund	Vocational Education Enhancement Fund	Alternative Schools Fund	Miscellaneous State Grants Fund
\$686,200	\$97,981	\$52,352	\$2,201	\$14,465	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	46,558	0	2,220	56,056	0
<u>\$686,200</u>	<u>\$144,539</u>	<u>\$52,352</u>	<u>\$4,421</u>	<u>\$70,521</u>	<u>\$0</u>
\$169,563	\$76,544	\$44,120	\$0	\$0	\$0
39,421	0	0	0	2,045	0
10,214	0	0	0	1,009	0
0	0	0	2,119	0	37,565
2,438	0	0	0	0	0
<u>221,636</u>	<u>76,544</u>	<u>44,120</u>	<u>2,119</u>	<u>3,054</u>	<u>37,565</u>
0	0	0	0	0	0
0	44,000	0	2,220	56,056	0
0	44,000	0	2,220	56,056	0
464,564	23,995	8,232	82	11,411	0
0	0	0	0	0	(37,565)
<u>464,564</u>	<u>23,995</u>	<u>8,232</u>	<u>82</u>	<u>11,411</u>	<u>(37,565)</u>
<u>\$686,200</u>	<u>\$144,539</u>	<u>\$52,352</u>	<u>\$4,421</u>	<u>\$70,521</u>	<u>\$0</u>

(continued)

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2015  
 (Continued)

	Race To The Top Fund	Title VI-B Fund	Vocational Education Fund	Career Technical & Adult Education Fund
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$357,106	\$46,416	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Receivables:				
Property and Other Local Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	381,396	2,036,060	116,476	0
<b>Total Assets</b>	<b>\$381,396</b>	<b>\$2,393,166</b>	<b>\$162,892</b>	<b>0</b>
<u>Liabilities:</u>				
Accounts Payable	\$0	\$557	\$14,810	0
Accrued Wages and Benefits Payable	0	177,194	24,554	464
Intergovernmental Payable	14,222	124,279	6,752	0
Interfund Payable	26,125	0	7,016	0
Matured Compensated Absences Payable	0	4,973	0	0
<b>Total Liabilities</b>	<b>40,347</b>	<b>307,003</b>	<b>53,132</b>	<b>464</b>
<u>Deferred Inflows of Resources:</u>				
Property and Other Local Taxes	0	0	0	0
Unavailable Revenue	153,990	2,036,060	116,476	0
<b>Total Deferred Inflows of Resources</b>	<b>153,990</b>	<b>2,036,060</b>	<b>116,476</b>	<b>0</b>
<u>Fund Balances:</u>				
Restricted	187,059	50,103	0	0
Unassigned (Deficit)	0	0	(6,716)	(464)
<b>Total Fund Balances (Deficit)</b>	<b>187,059</b>	<b>50,103</b>	<b>(6,716)</b>	<b>(464)</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$381,396</b>	<b>\$2,393,166</b>	<b>\$162,892</b>	<b>0</b>

Title I School Improvement Stimulus A Fund	Stimulus School Improvement Subsidy G Fund	Dropout Prevention and Intervention Fund	Title I Fund	EHA Preschool Grants for the Handicapped Fund	Title VI-R Classroom Size Reduction Fund
\$0	\$195,297	\$12,734	\$941,800	\$141	\$188,559
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
975,270	465,206	56,614	4,710,875	56,236	1,685,037
<u>\$975,270</u>	<u>\$660,503</u>	<u>\$69,348</u>	<u>\$5,652,675</u>	<u>\$56,377</u>	<u>\$1,873,596</u>
\$0	\$137,584	\$6,547	\$61,541	\$0	\$43,854
19,738	16,592	4,184	669,703	10,409	111,940
20,491	3,862	2,345	305,351	5,314	36,760
792,678	168,598	3,253	241,679	0	0
0	5,705	0	45,716	0	1,936
832,907	332,341	16,329	1,323,990	15,723	194,490
0	0	0	0	0	0
168,079	317,974	56,614	3,879,036	38,472	1,685,037
168,079	317,974	56,614	3,879,036	38,472	1,685,037
0	10,188	0	449,649	2,182	0
(25,716)	0	(3,595)	0	0	(5,931)
(25,716)	10,188	(3,595)	449,649	2,182	(5,931)
<u>\$975,270</u>	<u>\$660,503</u>	<u>\$69,348</u>	<u>\$5,652,675</u>	<u>\$56,377</u>	<u>\$1,873,596</u>

(continued)

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2015**  
(Continued)

	Miscellaneous Federal Grants Fund	Special Trust Fund	Food Service Fund	Welcome Stadium Fund	Total
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$59,663	\$204,286	\$7,473,435	\$91,440	\$19,285,300
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0	858,044
<u>Receivables:</u>					
Property and Other Local Taxes	0	0	0	0	996,005
Accounts	0	0	46,772	1,726	48,498
Intergovernmental	88,232	0	0	0	10,676,236
<b>Total Assets</b>	<b>\$147,895</b>	<b>\$204,286</b>	<b>\$7,520,207</b>	<b>\$93,166</b>	<b>\$31,864,083</b>
<u>Liabilities:</u>					
Accounts Payable	\$2,465	\$0	\$74,843	\$0	\$722,887
Accrued Wages and Benefits Payable	5,109	0	89,180	537	1,171,070
Intergovernmental Payable	607	0	155,842	7,706	694,754
Interfund Payable	58,106	0	0	0	1,819,336
Matured Compensated Absences Payable	0	0	731	0	61,499
<b>Total Liabilities</b>	<b>66,287</b>	<b>0</b>	<b>320,596</b>	<b>8,243</b>	<b>4,469,546</b>
<u>Deferred Inflows of Resources:</u>					
Property and Other Local Taxes	0	0	0	0	513,258
Unavailable Revenue	80,481	0	0	0	9,077,548
<b>Total Deferred Inflows of Resources</b>	<b>80,481</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,590,806</b>
<u>Fund Balances:</u>					
Restricted	1,127	204,286	7,199,611	84,923	17,883,718
Unassigned (Deficit)	0	0	0	0	(79,987)
<b>Total Fund Balances (Deficit)</b>	<b>1,127</b>	<b>204,286</b>	<b>7,199,611</b>	<b>84,923</b>	<b>17,803,731</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$147,895</b>	<b>\$204,286</b>	<b>\$7,520,207</b>	<b>\$93,166</b>	<b>\$31,864,083</b>

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**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Other Grants Fund	Education Foundation Fund	Maintenance of Classroom Facilities Fund	District Managed Student Activities Fund
<b>Revenues:</b>				
Property and Other Local Taxes	\$0	\$0	\$615,618	\$0
Intergovernmental	0	0	614,937	0
Investment Earnings	0	19,864	0	0
Gifts and Donations	0	7,780	0	0
Customer Sales and Services	0	0	0	0
Extracurricular Activities	0	0	0	205,873
Miscellaneous	52,293	0	204	0
<b>Total Revenues</b>	<b>52,293</b>	<b>27,644</b>	<b>1,230,759</b>	<b>205,873</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	29,562	0	278,437	0
Special	0	0	0	0
Vocational	0	0	0	0
Student Intervention Services	0	0	0	0
<b>Support Services:</b>				
Pupils	13,350	0	0	0
Instructional Staff	7,126	0	4,437	0
Administration	0	9,367	0	0
Fiscal	0	0	13,418	0
Operation and Maintenance of Plant	0	0	1,566,125	16,762
Pupil Transportation	0	0	0	0
Central	0	0	3,760	0
Operation of Non-Instructional Services	0	71,899	7,377	0
Extracurricular Activities	9,112	0	0	135,403
<b>Total Expenditures</b>	<b>59,150</b>	<b>81,266</b>	<b>1,873,554</b>	<b>152,165</b>
<b>Net Change in Fund Balance</b>	<b>(6,857)</b>	<b>(53,622)</b>	<b>(642,795)</b>	<b>53,708</b>
<b>Fund Balance (Deficit) at Beginning of Year</b>	<b>231,740</b>	<b>711,666</b>	<b>8,848,760</b>	<b>43,706</b>
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$224,883</b>	<b>\$658,044</b>	<b>\$8,205,965</b>	<b>\$97,414</b>

Auxiliary Services Fund	Public School Preschool Fund	Entry Year Program Fund	Data Communications Fund	Vocational Education Enhancement Fund
\$0	\$0	\$0	\$0	\$0
1,502,307	724,000	0	50,400	2,780
34,550	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>1,536,857</u>	<u>724,000</u>	<u>0</u>	<u>50,400</u>	<u>2,780</u>
0	0	0	0	2,698
0	750,942	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	1,000	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	86,260	0
1,399,855	0	0	0	0
0	0	0	0	0
<u>1,399,855</u>	<u>750,942</u>	<u>1,000</u>	<u>86,260</u>	<u>2,698</u>
137,002	(26,942)	(1,000)	(35,860)	82
<u>327,562</u>	<u>50,937</u>	<u>1,000</u>	<u>44,092</u>	<u>0</u>
<u>\$464,564</u>	<u>\$23,995</u>	<u>\$0</u>	<u>\$8,232</u>	<u>\$82</u>

(continued)

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	Alternative Schools Fund	Miscellaneous State Grants Fund	Race to the Top Fund	Title VI-B Fund
<b>Revenues:</b>				
Property and Other Local Taxes	\$0	\$0	\$0	\$0
Intergovernmental	102,543	82,415	894,728	3,493,070
Investment Earnings	0	0	0	0
Gifts and Donations	0	0	0	0
Customer Sales and Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Miscellaneous	0	0	0	0
<b>Total Revenues</b>	<b>102,543</b>	<b>82,415</b>	<b>894,728</b>	<b>3,493,070</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	0	0	276,167	0
Special	0	0	0	1,726,262
Vocational	0	0	0	0
Student Intervention Services	0	0	0	0
<b>Support Services:</b>				
Pupils	81,194	0	25,605	846,980
Instructional Staff	0	0	379,700	682,893
Administration	11,828	0	11,379	61,139
Fiscal	0	0	0	47,877
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	138,606	0	0
Operation of Non-Instructional Services	0	0	0	204,540
Extracurricular Activities	0	0	0	0
<b>Total Expenditures</b>	<b>93,022</b>	<b>138,606</b>	<b>692,851</b>	<b>3,569,691</b>
<b>Net Change in Fund Balance</b>	<b>9,521</b>	<b>(56,191)</b>	<b>201,877</b>	<b>(76,621)</b>
<b>Fund Balance (Deficit) at Beginning of Year</b>	<b>1,890</b>	<b>18,626</b>	<b>(14,818)</b>	<b>126,724</b>
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$11,411</b>	<b>(\$37,565)</b>	<b>\$187,059</b>	<b>\$50,103</b>

Vocational Education Fund	Career Technical & Adult Education Fund	Title I School Improvement Stimulus A Fund	Stimulus School Improvement Subsidy G Fund	Dropout Prevention and Intervention Fund
\$0	\$0	\$0	\$0	\$0
557,442	0	1,167,761	463,709	140,526
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>557,442</u>	<u>0</u>	<u>1,167,761</u>	<u>463,709</u>	<u>140,526</u>
0	0	110,033	199,414	0
0	0	0	153,099	57,895
375,154	232	0	0	0
0	0	0	36,026	0
86,553	232	0	43,111	23,600
8,995	0	1,059,618	110,156	48,773
26,476	0	0	0	0
0	0	0	26,902	1,723
0	0	0	0	0
0	0	0	9,900	1,595
48,761	0	0	0	0
0	0	0	0	13,460
0	0	0	0	0
<u>545,939</u>	<u>464</u>	<u>1,169,651</u>	<u>578,608</u>	<u>147,046</u>
11,503	(464)	(1,890)	(114,899)	(6,520)
<u>(18,219)</u>	<u>0</u>	<u>(23,826)</u>	<u>125,087</u>	<u>2,925</u>
<u>(\$6,716)</u>	<u>(\$464)</u>	<u>(\$25,716)</u>	<u>\$10,188</u>	<u>(\$3,595)</u>

(continued)

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	Title I Fund	EHA Preschool Grants for the Handicapped Fund	Title VI-R Classroom Size Reduction Fund	Miscellaneous Federal Grants Fund
Revenues:				
Property and Other Local Taxes	\$0	\$0	\$0	\$0
Intergovernmental	11,739,227	131,315	2,045,794	263,683
Investment Earnings	0	0	0	0
Gifts and Donations	0	0	0	0
Customer Sales and Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Miscellaneous	0	0	0	0
<b>Total Revenues</b>	<b>11,739,227</b>	<b>131,315</b>	<b>2,045,794</b>	<b>263,683</b>
Expenditures:				
Current:				
Instruction:				
Regular	3,763,850	0	0	151,279
Special	3,341,479	132,650	0	2,660
Vocational	0	0	0	0
Student Intervention Services	6,057	0	0	0
Support Services:				
Pupils	97,064	0	0	90,288
Instructional Staff	2,229,866	0	2,049,938	9,262
Administration	521,960	0	0	1,623
Fiscal	90,699	2,034	22,576	2,076
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	592,317	0	0	1,160
Central	0	0	0	0
Operation of Non-Instructional Services	956,142	0	200	0
Extracurricular Activities	0	0	0	0
<b>Total Expenditures</b>	<b>11,599,434</b>	<b>134,684</b>	<b>2,072,714</b>	<b>258,348</b>
Net Change in Fund Balance	139,793	(3,369)	(26,920)	5,335
Fund Balance (Deficit) at Beginning of Year	309,856	5,551	20,989	(4,208)
Fund Balance (Deficit) at End of Year	<u>\$449,649</u>	<u>\$2,182</u>	<u>(\$5,931)</u>	<u>\$1,127</u>

Special Trust Fund	Food Service Fund	Welcome Stadium Fund	Total
\$0	\$0	\$0	\$615,618
0	9,913,116	0	33,889,753
0	0	0	54,414
0	0	0	7,780
0	1,139,326	0	1,139,326
0	0	316,046	521,919
0	70,587	0	123,084
0	11,123,029	316,046	36,351,894
0	0	0	4,811,440
0	0	0	6,164,987
0	0	0	375,386
0	0	0	42,083
1,421	0	0	1,309,398
0	0	0	6,591,764
0	0	0	643,772
0	0	0	207,305
0	900	35,816	1,619,603
0	0	0	604,972
0	0	0	277,387
0	8,125,733	0	10,779,206
0	0	337,019	481,534
1,421	8,126,633	372,835	33,908,837
(1,421)	2,996,396	(56,789)	2,443,057
205,707	4,203,215	141,712	15,360,674
\$204,286	\$7,199,611	\$84,923	\$17,803,731

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2015

	Building Fund	Classroom Facilities Fund	Total Nonmajor Capital Projects Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$321,065	\$52,171	\$373,236
Cash and Cash Equivalents with Fiscal Agents	0	8,563,600	8,563,600
<u>Restricted Assets:</u>			
Cash and Cash Equivalents with Fiscal Agents	<u>0</u>	<u>1,372,400</u>	<u>1,372,400</u>
 Total Assets	 <u><u>\$321,065</u></u>	 <u><u>\$9,988,171</u></u>	 <u><u>\$10,309,236</u></u>
<u>Liabilities:</u>			
Accrued Wages and Benefits Payable	\$4,103	\$0	\$4,103
Intergovernmental Payable	<u>1,526</u>	<u>0</u>	<u>1,526</u>
 Total Liabilities	 <u>5,629</u>	 <u>0</u>	 <u>5,629</u>
<u>Fund Balances:</u>			
Restricted	<u>315,436</u>	<u>9,988,171</u>	<u>10,303,607</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	 <u><u>\$321,065</u></u>	 <u><u>\$9,988,171</u></u>	 <u><u>\$10,309,236</u></u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Building Fund	Classroom Facilities Fund	Total Nonmajor Capital Projects Funds
Revenues:			
Investment Earnings	\$0	\$82,653	\$82,653
Expenditures:			
Current:			
Instruction:			
Regular	5,643	0	5,643
Support Services:			
Administration	0	1,236,865	1,236,865
Operation and Maintenance of Plant	0	975,949	975,949
Capital Outlay	201,180	205,382	406,562
Total Expenditures	206,823	2,418,196	2,625,019
Excess of Revenues Under Expenditures	(206,823)	(2,335,543)	(2,542,366)
Other Financing Sources (Uses):			
Transfers Out	(17,475,949)	(4,024,051)	(21,500,000)
Net Change in Fund Balance	(17,682,772)	(6,359,594)	(24,042,366)
Fund Balance at Beginning of Year	17,998,208	16,347,765	34,345,973
Fund Balance at End of Year	\$315,436	\$9,988,171	\$10,303,607

## Internal Service Funds

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### INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing of services provided by one department to other department of the School District on a cost-reimbursement basis.

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#### Warehouse Fund

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

#### Retrospective Workers' Comp Fund

To account for the accumulation of resources from the funds in which employees are paid which will be used to pay the premiums and claims related to the School District's participation in the Ohio Bureau of Workers' Compensation Retrospective Rating Program.

#### Self-Insurance Fund

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

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
COMBINING STATEMENT OF FUND NET POSITION  
ALL INTERNAL SERVICE FUNDS  
JUNE 30, 2015

	Warehouse Fund	Retrospective Workers' Comp Fund	Self- Insurance Fund	Total
Assets:				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$96,524	\$6,483,690	\$16,724,170	\$23,304,384
Noncurrent Assets:				
Capital Assets, Net of Accumulated Depreciation	34,418	0	0	34,418
<b>Total Assets</b>	<b>130,942</b>	<b>6,483,690</b>	<b>16,724,170</b>	<b>23,338,802</b>
Liabilities:				
Current Liabilities:				
Accounts Payable	1,790	19,773	0	21,563
Accrued Wages and Benefits Payable	0	10,898	0	10,898
Intergovernmental Payable	0	4,282	0	4,282
Accrued Vacation Leave Payable	0	6,004	0	6,004
Claims Payable	0	193,284	2,569,000	2,762,284
Compensated Absences Payable	0	1,543	0	1,543
<b>Total Current Liabilities</b>	<b>1,790</b>	<b>235,784</b>	<b>2,569,000</b>	<b>2,806,574</b>
Non-Current Liabilities:				
Claims Payable	0	2,146,789	0	2,146,789
Compensated Absences Payable	0	9,465	0	9,465
<b>Total Non-Current Liabilities</b>	<b>0</b>	<b>2,156,254</b>	<b>0</b>	<b>2,156,254</b>
<b>Total Liabilities</b>	<b>1,790</b>	<b>2,392,038</b>	<b>2,569,000</b>	<b>4,962,828</b>
Net Position:				
Investment in Capital Assets	34,418	0	0	34,418
Unrestricted	94,734	4,091,652	14,155,170	18,341,556
<b>Total Net Position</b>	<b>\$129,152</b>	<b>\$4,091,652</b>	<b>\$14,155,170</b>	<b>\$18,375,974</b>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
ALL INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Warehouse Fund	Retrospective Workers' Comp Fund	Self- Insurance Fund	Total
Operating Revenues:				
Charges for Services	\$0	\$4,648,669	\$29,872,364	\$34,521,033
Operating Expenses:				
Salaries	0	84,382	0	84,382
Fringe Benefits	0	26,256	0	26,256
Purchased Services	182,790	256,917	1,855,633	2,295,340
Claims	0	500,843	24,941,265	25,442,108
Supplies and Materials	6,016	0	0	6,016
Other	0	0	100	100
Depreciation	28,297	0	0	28,297
Total Operating Expenses	217,103	868,398	26,796,998	27,882,499
Change in Net Position	(217,103)	3,780,271	3,075,366	6,638,534
Net Position at Beginning of Year	346,255	311,381	11,079,804	11,737,440
Net Position at End of Year	\$129,152	\$4,091,652	\$14,155,170	\$18,375,974

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
COMBINING STATEMENT OF CASH FLOWS  
ALL INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Warehouse Fund	Retrospective Workers' Comp Fund	Self-Insurance Fund	Total
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities:				
Cash Received from Interfund Services Provided	\$0	\$1,875,334	\$29,882,755	\$31,758,089
Cash Payments to Suppliers for Goods	(187,290)	(286,648)	(1,855,733)	(2,329,671)
Cash Payments to Employees for Services and Benefits	0	(97,663)	0	(97,663)
Cash Payments for Claims	0	(1,268,358)	(25,405,265)	(26,673,623)
Net Increase (Decrease) in Cash and Cash Equivalents	(187,290)	222,665	2,621,757	2,657,132
Cash and Cash Equivalents Beginning of Year	283,814	6,261,025	14,102,413	20,647,252
Cash and Cash Equivalents End of Year	<u>\$96,524</u>	<u>\$6,483,690</u>	<u>\$16,724,170</u>	<u>\$23,304,384</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	(\$217,103)	\$3,780,271	\$3,075,366	\$6,638,534
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	28,297	0	0	28,297
Changes in Assets and Liabilities:				
Decrease in Accounts Receivable	0	720	10,391	11,111
Increase (Decrease) in Accounts Payable	1,516	(29,737)	0	(28,221)
Increase in Accrued Wages and Benefits Payable	0	8,040	0	8,040
Decrease in Intergovernmental Payable	0	(2,769,812)	0	(2,769,812)
Decrease in Accrued Vacation Leave Payable	0	(88)	0	(88)
Decrease in Claims Payable	0	(767,515)	(464,000)	(1,231,515)
Increase in Compensated Absences Payable	0	786	0	786
Net Cash Provided by (Used for) Operating Activities	<u>(\$187,290)</u>	<u>\$222,665</u>	<u>\$2,621,757</u>	<u>\$2,657,132</u>

## Fiduciary Fund

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### AGENCY FUND

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

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### OHSAA District Managed Activity Fund

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

### Student Managed Activities

To account for the resources that belong to the various student groups in the School District. This fund accounts for student activity programs which have student participation in the activity and have students involved in the management of the program.

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
<b>OHSAA District Managed Activity Fund</b>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$154,991	\$144,467	\$299,458	\$0
Liabilities:				
Undistributed Monies	\$154,991	\$144,467	\$299,458	\$0
<b>Student-Managed Activities Fund</b>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$198,897	\$189,361	\$198,753	\$189,505
Liabilities:				
Due to Students	\$198,897	\$189,361	\$198,753	\$189,505
<b>Total</b>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$353,888	\$333,828	\$498,211	\$189,505
Liabilities:				
Undistributed Monies	\$154,991	\$144,467	\$299,458	\$0
Due to Students	198,897	189,361	198,753	189,505
Total Liabilities	\$353,888	\$333,828	\$498,211	\$189,505

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BOND RETIREMENT FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Property and Other Local Taxes	\$14,224,291	\$14,224,291	\$0
Intergovernmental	3,409,535	3,409,535	0
Miscellaneous	2,518	2,518	0
Total Revenues	<u>17,636,344</u>	<u>17,636,344</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	1,252,429	1,178,006	74,423
Debt Service:			
Principal Retirement	100,044,989	100,044,989	0
Interest and Fiscal Charges	12,923,968	12,923,968	0
Swap Termination Fee	17,846,129	17,846,129	0
Total Expenditures	<u>132,067,515</u>	<u>131,993,092</u>	<u>74,423</u>
Excess of Revenues Under Expenditures	<u>(114,431,171)</u>	<u>(114,356,748)</u>	<u>74,423</u>
Other Financing Sources (Uses):			
Refunding Bonds Issued	90,360,000	90,360,000	0
Premium on Refunding Bonds Issued	16,380,001	16,380,001	0
Total Other Financing Sources (Uses)	<u>106,740,001</u>	<u>106,740,001</u>	<u>0</u>
Net Change in Fund Balance	(7,691,170)	(7,616,747)	74,423
Fund Balance at Beginning of Year	<u>9,447,644</u>	<u>9,447,644</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,756,474</u></u>	<u><u>\$1,830,897</u></u>	<u><u>\$74,423</u></u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
PERMANENT IMPROVEMENT FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Property and Other Local Taxes	\$613,405	\$613,405	\$0
Intergovernmental	280,644	280,644	0
Miscellaneous	204	204	0
<b>Total Revenues</b>	<b>894,253</b>	<b>894,253</b>	<b>0</b>
Expenditures:			
Current:			
Instruction:			
Regular	105,699	105,699	0
Support Services:			
Fiscal	13,418	13,418	0
Operation and Maintenance of Plant	538,299	538,299	0
Pupil Transportation	480,545	480,545	0
Central	200,024	200,024	0
Extracurricular Activities	163,299	163,299	0
Capital Outlay	11,775	11,775	0
Debt Service:			
Principal Retirement	1,255,000	1,255,000	0
Interest and Fiscal Charges	702,250	702,250	0
<b>Total Expenditures</b>	<b>3,470,309</b>	<b>3,470,309</b>	<b>0</b>
Exces of Revenues Under Expenditures	(2,576,056)	(2,576,056)	0
Other Financing Sources (Uses):			
Transfers In	21,500,000	21,500,000	0
<b>Net Change in Fund Balance</b>	<b>18,923,944</b>	<b>18,923,944</b>	<b>0</b>
Fund Balance at Beginning of Year	1,426,231	1,426,231	0
Prior Year Encumbrances Appropriated	422,757	422,757	0
<b>Fund Balance at End of Year</b>	<b>\$20,772,932</b>	<b>\$20,772,932</b>	<b>\$0</b>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
OTHER GRANTS FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Miscellaneous	\$71,888	\$71,888	\$0
Expenditures:			
Current:			
Instruction:			
Regular	77,369	37,700	39,669
Special	9,909	0	9,909
Support Services:			
Pupils	158,775	14,691	144,084
Instructional Staff	47,462	7,153	40,309
Operation and Maintenance of Plant	370	0	370
Central	4,371	0	4,371
Extracurricular Activities	32,464	15,518	16,946
Total Expenditures	330,720	75,062	255,658
Net Change in Fund Balance	(258,832)	(3,174)	255,658
Fund Balance at Beginning of Year	206,294	206,294	0
Prior Year Encumbrances Appropriated	44,211	44,211	0
Fund Balance at End of Year	(\$8,327)	\$247,331	\$255,658

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
MAINTENANCE OF CLASSROOM FACILITIES FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Property and Other Local Taxes	\$613,405	\$613,405	\$0
Intergovernmental	614,937	614,937	0
Miscellaneous	204	204	0
Total Revenues	<u>1,228,546</u>	<u>1,228,546</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	529,070	278,437	250,633
Support Services:			
Instructional Staff	4,743,267	745,141	3,998,126
Fiscal	65,676	13,418	52,258
Business	72,973	0	72,973
Operation and Maintenance of Plant	3,127,191	1,767,951	1,359,240
Central	776,703	3,760	772,943
Operation of Non-Instructional Services	181,263	44,908	136,355
Capital Outlay:			
Building Acquisition/Construction	4,489	0	4,489
Total Expenditures	<u>9,500,632</u>	<u>2,853,615</u>	<u>6,647,017</u>
Net Change in Fund Balance	(8,272,086)	(1,625,069)	6,647,017
Fund Balance at Beginning of Year	8,476,642	8,476,642	0
Prior Year Encumbrances Appropriated	<u>363,632</u>	<u>363,632</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$568,188</u></u>	<u><u>\$7,215,205</u></u>	<u><u>\$6,647,017</u></u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
DISTRICT MANAGED STUDENT ACTIVITIES FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Extracurricular Activities	\$205,872	\$205,872	\$0
Expenditures:			
Current:			
Support Services:			
Operation and Maintenance of Plant	64,280	16,763	47,517
Extracurricular Activities	216,720	151,911	64,809
Total Expenditures	281,000	168,674	112,326
Net Change in Fund Balance	(75,128)	37,198	112,326
Fund Balance at Beginning of Year	34,971	34,971	0
Prior Year Encumbrances Appropriated	10,562	10,562	0
Fund Balance at End of Year	(\$29,595)	\$82,731	\$112,326

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
AUXILIARY SERVICES FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$1,502,307	\$1,502,307	\$0
Interest	34,550	34,550	0
Total Revenues	1,536,857	1,536,857	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	2,098,265	1,888,059	210,206
Net Change in Fund Balance	(561,408)	(351,202)	210,206
Fund Balance at Beginning of Year	353,994	353,994	0
Prior Year Encumbrances Appropriated	243,855	243,855	0
Fund Balance at End of Year	<u>\$36,441</u>	<u>\$246,647</u>	<u>\$210,206</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
PUBLIC SCHOOL PRESCHOOL FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$749,742	\$749,742	\$0
Expenditures:			
Current:			
Instruction:			
Special	784,942	784,942	0
Excess of Revenues Under Expenditures	(35,200)	(35,200)	0
Other Financing Sources:			
Advances Out	(110,000)	(110,000)	0
Net Change in Fund Balance	(145,200)	(145,200)	0
Fund Balance at Beginning of Year	141	141	0
Prior Year Encumbrances Appropriated	166,500	166,500	0
Fund Balance at End of Year	<u>\$21,441</u>	<u>\$21,441</u>	<u>\$0</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ENTRY YEAR PROGRAM FUND - BUDGET (NON-GAAP) AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:	\$0	\$0	\$0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	1,000	1,000	0
Net Change in Fund Balance	(1,000)	(1,000)	0
Fund Balance at Beginning of Year	1,000	1,000	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
DATA COMMUNICATIONS FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$50,400	\$50,400	\$0
Expenditures:			
Current:			
Support Services:			
Central	114,760	114,675	85
Net Change in Fund Balance	(64,360)	(64,275)	85
Fund Balance at Beginning of Year	55	55	0
Prior Year Encumbrances Appropriated	64,305	64,305	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$85</u>	<u>\$85</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
VOCATIONAL EDUCATION ENHANCEMENT FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$4,899	\$2,780	(\$2,119)
Expenditures:			
Current:			
Instruction:			
Regular	4,899	4,899	0
Excess of Revenues Under Expenditures	0	(2,119)	(2,119)
Other Financing Sources:			
Advances In	0	2,119	2,119
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ALTERNATIVE SCHOOLS FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$102,543	\$102,543	\$0
Expenditures:			
Current:			
Support Services:			
Pupils	150,149	101,148	49,001
Administration	20,336	13,699	6,637
Total Expenditures	170,485	114,847	55,638
Excess of Revenues Under Expenditures	(67,942)	(12,304)	55,638
Other Financing Uses:			
Advances Out	0	(3,000)	(3,000)
Net Change in Fund Balance	(67,942)	(15,304)	52,638
Fund Balance at Beginning of Year	805	805	0
Prior Year Encumbrances Appropriated	15,300	15,300	0
Fund Balance at End of Year	(\$51,837)	\$801	\$52,638

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
MISCELLANEOUS STATE GRANTS FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$82,415	\$82,415	\$0
Expenditures:			
Current:			
Instruction:			
Regular	18,628	0	18,628
Support Services:			
Central	138,606	138,606	0
Total Expenditures	157,234	138,606	\$18,628
Net Change in Fund Balance	(74,819)	(56,191)	18,628
Fund Balance at Beginning of Year	18,626	18,626	0
Fund Balance (Deficit) at End of Year	(\$56,193)	(\$37,565)	\$18,628

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
RACE TO THE TOP FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$667,321	\$667,321	\$0
Expenditures:			
Current:			
Instruction:			
Regular	489,445	304,876	184,569
Support Services:			
Pupils	134,336	83,678	50,658
Instructional Staff	823,892	513,203	310,689
Administration	20,352	12,677	7,675
Total Expenditures	1,468,025	914,434	553,591
Excess of Revenues Under Expenditures	(800,704)	(247,113)	553,591
Other Financing Uses:			
Advances Out	0	(200,500)	(200,500)
Net Change in Fund Balance	(800,704)	(447,613)	(353,091)
Fund Balance at Beginning of Year	118	118	0
Prior Year Encumbrances Appropriated	421,373	421,373	0
Fund Balance (Deficit) at End of Year	(\$379,213)	(\$26,122)	(\$353,091)

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TITLE VI-B FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$3,493,070	\$3,493,070	\$0
Expenditures:			
Current:			
Instruction:			
Special	2,523,308	1,642,423	880,885
Support Services:			
Pupils	1,732,223	1,127,058	605,165
Instructional Staff	1,203,727	783,159	420,568
Administration	100,162	64,519	35,643
Fiscal	73,584	47,877	25,707
Operation of Non-Instructional Services	311,996	202,998	108,998
Total Expenditures	5,945,000	3,868,034	2,076,966
Net Change in Fund Balance	(2,451,930)	(374,964)	2,076,966
Fund Balance at Beginning of Year	46,275	46,275	0
Prior Year Encumbrances Appropriated	351,089	351,089	0
Fund Balance at End of Year	(\$2,054,566)	\$22,400	\$2,076,966

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
VOCATIONAL EDUCATION FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$598,634	\$591,618	(\$7,016)
Expenditures:			
Current:			
Instruction:			
Vocational	623,353	473,213	150,140
Support Services:			
Pupils	96,887	73,551	23,336
Instructional Staff	12,999	9,868	3,131
Administration	35,102	26,647	8,455
Central	76,381	57,984	18,397
Total Expenditures	844,722	641,263	203,459
Excess of Revenues Under Expenditures	(246,088)	(49,645)	196,443
Other Financing Sources (Uses):			
Advances In	0	7,016	7,016
Advances Out	0	(84,000)	(84,000)
Total Other Financing Sources (Uses)	0	(76,984)	(76,984)
Net Change in Fund Balance	(246,088)	(126,629)	119,459
Fund Balance at Beginning of Year	618	618	0
Prior Year Encumbrances Appropriated	126,545	126,545	0
Fund Balance at End of Year	(\$118,925)	\$534	\$119,459

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TITLE I SCHOOL IMPROVEMENT STIMULUS A FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$473,165	\$473,165	\$0
Expenditures:			
Current:			
Instruction:			
Regular	171,011	138,649	32,362
Special	62,829	50,939	11,890
Support Services:			
Instructional Staff	1,478,812	1,198,966	279,846
Total Expenditures	1,712,652	1,388,554	324,098
Excess of Revenues Under Expenditures	(1,239,487)	(915,389)	324,098
Other Financing Uses:			
Advances Out	0	(71,500)	(71,500)
Net Change in Fund Balance	(1,239,487)	(986,889)	252,598
Fund Balance at Beginning of Year	262	262	
Prior Year Encumbrances Appropriated	193,953	193,953	0
Fund Balance (Deficit) at End of Year	(\$1,045,272)	(\$792,674)	\$252,598

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
STIMULUS SCHOOL IMPROVEMENT SUBSIDY G FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$681,251	\$512,653	(\$168,598)
Expenditures:			
Current:			
Instruction:			
Regular	325,730	205,625	120,105
Special	521,956	329,497	192,459
Student Intervention Services	48,031	30,321	17,710
Support Services:			
Pupils	112,632	71,102	41,530
Instructional Staff	224,053	141,439	82,614
Fiscal	42,615	26,902	15,713
Pupil Transportation	22,992	14,514	8,478
Total Expenditures	1,298,009	819,400	478,609
Excess of Revenues Under Expenditures	(616,758)	(306,747)	310,011
Other Financing Sources (Uses):			
Advances In	0	168,598	168,598
Advances Out	0	(182,000)	(182,000)
Total Other Financing Sources (Uses)	0	(13,402)	(13,402)
Net Change in Fund Balance	(616,758)	(320,149)	296,609
Fund Balance at Beginning of Year	160	160	0
Prior Year Encumbrances Appropriated	319,989	319,989	0
Fund Balance at End of Year	(\$296,609)	\$0	\$296,609

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
DROPOUT PREVENTION AND INTERVENTION FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$156,570	\$153,317	(\$3,253)
Expenditures:			
Current:			
Instruction:			
Special	81,088	63,666	17,422
Support Services:			
Pupils	46,081	36,181	9,900
Instructional Staff	62,376	48,975	13,401
Fiscal	1,723	1,723	0
Pupil Transportation	3,000	3,000	0
Operation of Non-Instructional Services	16,598	16,598	0
Total Expenditures	210,866	170,143	40,723
Excess of Revenues Under Expenditures	(54,296)	(16,826)	37,470
Other Financing Sources:			
Advances In	0	3,253	3,253
Net Change in Fund Balance	(54,296)	(13,573)	40,723
Fund Balance at Beginning of Year	6,075	6,075	0
Prior Year Encumbrances Appropriated	9,042	9,042	0
Fund Balance at End of Year	(\$39,179)	\$1,544	\$40,723

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TITLE I FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$11,871,832	\$11,630,153	(\$241,679)
Expenditures:			
Current:			
Instruction:			
Special	6,524,348	4,375,025	2,149,323
Other	5,205,072	3,490,359	1,714,713
Support Services:			
Pupils	236,383	158,511	77,872
Instructional Staff	3,737,548	2,506,283	1,231,265
Administration	851,780	571,177	280,603
Fiscal	135,257	90,699	44,558
Pupil Transportation	794,974	533,085	261,889
Operation of Non-Instructional Services	1,525,638	1,023,045	502,593
Total Expenditures	19,011,000	12,748,184	6,262,816
Excess of Revenues Under Expenditures	(7,139,168)	(1,118,031)	6,021,137
Other Financing Sources (Uses):			
Advances In	0	241,679	241,679
Advances Out	0	(134,000)	(134,000)
Total Other Financing Sources (Uses)	0	107,679	107,679
Net Change in Fund Balance	(7,139,168)	(1,010,352)	6,128,816
Fund Balance at Beginning of Year	3,519	3,519	0
Prior Year Encumbrances Appropriated	1,008,044	1,008,044	0
Fund Balance at End of Year	(\$6,127,605)	\$1,211	\$6,128,816

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
EHA PRESCHOOL GRANTS FOR THE HANDICAPPED FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$113,551	\$113,551	\$0
Expenditures:			
Current:			
Instruction:			
Special	187,276	134,901	52,375
Support Services:			
Fiscal	2,034	2,034	0
Total Expenditures	189,310	136,935	52,375
Net Change in Fund Balance	(75,759)	(23,384)	52,375
Fund Balance at Beginning of Year	23,525	23,525	0
Fund Balance at End of Year	(\$52,234)	\$141	\$52,375

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TITLE VI-R CLASSROOM SIZE REDUCTION FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$2,045,794	\$2,045,794	\$0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	3,828,091	2,079,580	1,748,511
Fiscal	41,558	22,576	18,982
Operation of Non-Instructional Services	368	200	168
Total Expenditures	3,870,017	2,102,356	1,767,661
Net Change in Fund Balance	(1,824,223)	(56,562)	1,767,661
Fund Balance at Beginning of Year	159,385	159,385	0
Prior Year Encumbrances Appropriated	16,140	16,140	0
Fund Balance at End of Year	(\$1,648,698)	\$118,963	\$1,767,661

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
MISCELLANEOUS FEDERAL GRANTS FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$317,402	\$259,296	(\$58,106)
Expenditures:			
Current:			
Instruction:			
Special	7,033	5,000	2,033
Other	246,098	174,964	71,134
Support Services:			
Pupils	155,032	102,074	52,958
Instructional Staff	11,538	8,203	3,335
Administration	4,729	3,362	1,367
Fiscal	3,397	2,076	1,321
Pupil Transportation	6,330	4,500	1,830
Total Expenditures	434,157	300,179	133,978
Excess of Revenues Over (Under) Expenditures	(116,755)	(40,883)	75,872
Other Financing Sources (Uses):			
Advances In	0	58,106	58,106
Advances Out	0	(64,234)	(64,234)
Refund of Prior Year Receipts	0	(7,431)	(7,431)
Total Other Financing Sources (Uses)	0	(13,559)	(13,559)
Net Change in Fund Balance	(116,755)	(54,442)	62,313
Fund Balance at Beginning of Year	24,287	24,287	0
Prior Year Encumbrances Appropriated	41,706	41,706	0
Fund Balance at End of Year	(\$50,762)	\$11,551	\$62,313

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SPECIAL TRUST FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:	\$0	\$0	\$0
Expenditures:			
Current:			
Support Services:			
Pupils	197,967	1,421	196,546
Instructional Staff	7,740	0	7,740
Total Expenditures	205,707	1,421	204,286
Net Change in Fund Balance	(205,707)	(1,421)	204,286
Fund Balance at Beginning of Year	205,580	205,580	
Prior Year Encumbrances Appropriated	127	127	0
Fund Balance at End of Year	\$0	\$204,286	\$204,286

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
SPECIAL TRUST FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:	\$0	\$0	\$0
Expenditures:			
Current:			
Support Services:			
Pupils	197,967	1,421	196,546
Instructional Staff	7,740	0	7,740
Total Expenditures	205,707	1,421	204,286
Net Change in Fund Balance	(205,707)	(1,421)	204,286
Fund Balance at Beginning of Year	205,580	205,580	
Prior Year Encumbrances Appropriated	127	127	0
Fund Balance at End of Year	\$0	\$204,286	\$204,286

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOOD SERVICE FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$9,983,703	\$9,913,116	(\$70,587)
Customer Sales and Services	1,141,126	1,141,126	0
<b>Total Revenues</b>	<b>11,124,829</b>	<b>11,054,242</b>	<b>(70,587)</b>
Expenditures:			
Current:			
Support Services:			
Operation and Maintenance of Plant	900	900	0
Operation of Non-Instructional Services	10,800,870	9,129,172	1,671,698
<b>Total Expenditures</b>	<b>10,801,770</b>	<b>9,130,072</b>	<b>1,671,698</b>
Excess of Revenues Over Expenditures	323,059	1,924,170	(1,601,111)
Other Financing Sources:			
Refund of Prior Year Expenditures	0	70,587	(70,587)
<b>Net Change in Fund Balance</b>	<b>323,059</b>	<b>1,994,757</b>	<b>1,671,698</b>
Fund Balance at Beginning of Year	3,926,886	3,926,886	0
Prior Year Encumbrances Appropriated	467,051	467,051	0
<b>Fund Balance at End of Year</b>	<b>\$4,716,996</b>	<b>\$6,388,694</b>	<b>\$1,671,698</b>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
WELCOME STADIUM FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Extracurricular Activities	\$314,320	\$314,320	\$0
Expenditures:			
Current:			
Support Services:			
Operation and Maintenance of Plant	35,825	35,825	0
Extracurricular Activities	446,405	378,459	67,946
Total Expenditures	482,230	414,284	67,946
Net Change in Fund Balance	(167,910)	(99,964)	67,946
Fund Balance at Beginning of Year	79,195	79,195	0
Prior Year Encumbrances Appropriated	89,685	89,685	0
Fund Balance at End of Year	\$970	\$68,916	\$67,946

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
UNIFORM SCHOOL SUPPLIES FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Tuition and Fees	\$1,601	\$1,601	\$0
Expenditures:			
Current:			
Instruction:			
Regular	33,528	1,216	32,312
Net Change in Fund Balance	(31,927)	385	32,312
Fund Balance at Beginning of Year	31,927	31,927	0
Fund Balance at End of Year	\$0	\$32,312	\$32,312

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
OTHER GRANT ROTARY FUND - BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Extracurricular Activities	\$6,925	\$6,925	\$0
Expenditures:			
Current:			
Instruction:			
Regular	96,161	13,647	82,514
Net Change in Fund Balance	(89,236)	(6,722)	82,514
Fund Balance at Beginning of Year	88,707	88,707	0
Prior Year Encumbrances Appropriated	529	529	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$82,514</u>	<u>\$82,514</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
PUBLIC SCHOOL SUPPORT FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Extracurricular Activities	\$171,290	\$171,290	\$0
Miscellaneous	99	99	0
<b>Total Revenues</b>	<b>171,389</b>	<b>171,389</b>	<b>0</b>
Expenditures:			
Current:			
Instruction:			
Regular	971,151	357,502	613,649
Special	3,999	2,124	1,875
Support Services:			
Instructional Staff	13,848	4,639	9,209
Operation and Maintenance of Plant	150	0	150
<b>Total Expenditures</b>	<b>989,148</b>	<b>364,265</b>	<b>624,883</b>
Excess of Revenues Under Expenditures	(817,759)	(192,876)	624,883
Other Financing Uses:			
Other Financing Uses	(80,932)	0	80,932
<b>Net Change in Fund Balance</b>	<b>(898,691)</b>	<b>(192,876)</b>	<b>705,815</b>
Fund Balance at Beginning of Year	742,165	742,165	0
Prior Year Encumbrances Appropriated	156,526	156,526	0
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$0</b>	<b>\$705,815</b>	<b>\$705,815</b>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUILDING FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:	\$0	\$0	\$0
Expenditures:			
Current:			
Instruction:			
Regular	1,540	1,540	0
Capital Outlay	219,707	219,707	0
Total Expenditures	221,247	221,247	0
Excess of Revenues Under Expenditures	(221,247)	(221,247)	0
Other Financing Uses:			
Transfers Out	(17,475,949)	(17,475,949)	0
Net Change in Fund Balance	(17,697,196)	(17,697,196)	0
Fund Balance at Beginning of Year	17,853,603	17,853,603	0
Prior Year Encumbrances Appropriated	164,562	164,562	0
Fund Balance at End of Year	\$320,969	\$320,969	\$0

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
CLASSROOM FACILITIES FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Interest	\$1,351	\$1,351	\$0
Expenditures:			
Current:			
Support Services:			
Fiscal	142,452	142,452	0
Capital Outlay	1,301,732	1,301,732	0
Total Expenditures	1,444,184	1,444,184	0
Excess of Revenues Over (Under) Expenditures	(1,442,833)	(1,442,833)	0
OTHER FINANCING USES:			
Transfers Out	(4,024,051)	(4,024,051)	0
Net Change in Fund Balance	(5,466,884)	(5,466,884)	0
Fund Balance (Deficit) at Beginning of Year	5,114,497	5,114,497	0
Prior Year Encumbrances Appropriated	1,380,612	1,380,612	0
Fund Balance at End of Year	<u>\$1,028,225</u>	<u>\$1,028,225</u>	<u>\$0</u>

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY  
WAREHOUSE FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:	\$0	\$0	\$0
Expenses:			
Purchased Services	34,722	0	34,722
Supplies and Materials	249,092	200,994	48,098
Total Expenses	283,814	200,994	82,820
Net Change in Fund Equity	(283,814)	(200,994)	82,820
Fund Equity at Beginning of Year	279,722	279,722	0
Prior Year Encumbrances Appropriated	4,092	4,092	0
Fund Equity at End of Year	\$0	\$82,820	\$82,820

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY  
RETROSPECTIVE WORKERS' COMP FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Charges for Services	\$1,875,334	\$1,875,334	\$0
Expenses:			
Salaries	80,000	75,644	4,356
Fringe Benefits	37,500	22,019	15,481
Purchased Services	1,157,126	288,016	869,110
Other	6,859,589	1,268,358	5,591,231
Total Expenses	8,134,215	1,654,037	6,480,178
Net Change in Fund Equity	(6,258,881)	221,297	6,480,178
Fund Equity at Beginning of Year	6,003,897	6,003,897	0
Prior Year Encumbrances Appropriated	257,126	257,126	0
Fund Equity at End of Year	\$2,142	\$6,482,320	\$6,480,178

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY  
SELF-INSURANCE FUND - BUDGET AND ACTUAL (NON-GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Charges for Services	\$29,787,775	\$29,787,775	\$0
Expenses:			
Purchased Services	3,230,000	1,855,633	1,374,367
Claims	40,660,189	25,310,384	15,349,805
Total Expenses	43,890,189	27,166,017	16,724,172
Net Change in Fund Equity	(14,102,414)	2,621,758	16,724,172
Fund Equity at Beginning of Year	14,102,416	14,102,416	0
Fund Equity at End of Year	\$2	\$16,724,174	\$16,724,172

## STATISTICAL SECTION

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

### **Contents:**

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time. These schedules can be found on pages 134 to 143.

#### **Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the School District's most significant local revenue source, the property tax. These schedules can be found on pages 144 to 151.

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt, as well as, the School District's ability to issue additional debt in the future. These schedules can be found on pages 152 to 157.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place. These schedules can be found on pages 158 to 161.

#### **Operating Information**

These schedules contain information about the School District's operation and resources to help the reader understand how the School District's financial information relates to the services provided and activities performed. These schedules can be found on pages 162 to 165.

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

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

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Net Position:				
Net Investment in Capital Assets	\$21,173,201	\$11,057,668	\$156,806,490	\$204,395,827
Restricted	225,376,276	306,007,970	165,443,307	141,858,409
Unrestricted (Deficit)	<u>20,890,120</u>	<u>17,820,009</u>	<u>19,671,988</u>	<u>18,542,406</u>
 Total Net Position	 <u>\$267,439,597</u>	 <u>\$334,885,647</u>	 <u>\$341,921,785</u>	 <u>\$364,796,642</u>

(1) The School District implemented GASB 68  
in fiscal year 2015. The effects of GASB 68

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 (1)</u>	<u>2015 (1)</u>
\$274,083,127	\$239,262,065	\$262,446,792	\$254,064,580	\$250,180,477	\$242,654,442
80,259,977	106,882,904	66,107,281	74,987,306	81,075,660	69,804,020
<u>25,248,921</u>	<u>47,908,184</u>	<u>46,815,756</u>	<u>36,993,228</u>	<u>(214,121,742)</u>	<u>(189,844,884)</u>
<u>\$379,592,025</u>	<u>\$394,053,153</u>	<u>\$375,369,829</u>	<u>\$366,045,114</u>	<u>\$117,134,395</u>	<u>\$122,613,578</u>

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

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

	2006	2007	2008	2009
Program Revenues:				
Charges for Services and Sales:				
Regular Instruction	\$1,396,178	\$1,835,460	\$1,341,082	\$2,386,406
Special Instruction	0	178,231	100,636	0
Vocational	0	0	0	0
Adult/Continuing	0	0	0	0
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Operation & Maintenance of Plant	0	0	0	0
Non-Instructional Services	1,953,662	1,919,204	1,510,104	1,751,167
Extracurricular Activities	516,844	509,132	1,144,216	636,536
Other	5,482	0	1,064,374	305,335
Total Charges for Services and Sales	<u>3,872,166</u>	<u>4,442,027</u>	<u>5,160,412</u>	<u>5,079,444</u>
Operating Grants and Contributions	53,854,341	54,385,141	59,341,676	66,429,355
Capital Grants and Contributions	<u>4,222,900</u>	<u>91,054,817</u>	<u>443,277</u>	<u>939,577</u>
Total Program Revenues	<u>61,949,407</u>	<u>149,881,985</u>	<u>64,945,365</u>	<u>72,448,376</u>
Expenses:				
Instruction	107,433,792	111,360,344	95,084,453	98,856,366
Pupils	9,537,921	9,575,153	10,155,766	10,819,918
Instructional Staff	22,070,344	19,131,027	13,464,968	15,699,017
Board of Education	1,504,940	1,095,719	1,525,305	703,373
Administration	14,653,219	13,132,034	12,003,326	16,305,055
Fiscal	3,851,625	3,058,611	4,289,621	3,779,802
Business	1,442,009	1,519,529	2,145,686	1,682,577
Operation and Maintenance of Plant	32,742,890	31,623,068	22,628,479	22,091,652
Pupil Transportation	19,099,802	19,206,398	18,765,970	15,992,195
Central	8,276,578	7,214,836	6,615,020	7,753,959
Non-Instructional Services	63,227,901	62,479,482	69,946,502	72,023,470
Extracurricular Activities	1,683,123	1,882,414	1,458,700	1,932,220
Interest and Fiscal Charges	12,283,960	12,165,455	11,951,294	11,693,210
Unallocated Depreciation	1,667,063	1,325,075	4,603,690	3,392,488
Total Expenses	<u>299,475,167</u>	<u>294,769,145</u>	<u>274,638,780</u>	<u>282,725,302</u>
Net Expense	<u>(\$237,525,760)</u>	<u>(\$144,887,160)</u>	<u>(\$209,693,415)</u>	<u>(\$210,276,926)</u>

2010	2011	2012	2013	2014 (1)	2015 (1)
\$1,789,584	\$3,220,136	\$2,353,387	\$1,322,960	\$1,925,139	\$1,558,648
0	0	0	0	0	0
0	0	0	106	0	91,301
0	0	0	7,008	0	0
0	0	0	6,422	6,664	1,338
0	0	0	5,577	5,207	3,136
0	0	0	679,896	468,285	531,011
1,475,801	1,227,808	1,062,209	1,037,089	1,028,938	1,139,326
628,574	686,070	576,411	502,723	1,174,278	491,572
745,087	915,281	729,560	0	98	0
4,639,046	6,049,295	4,721,567	3,561,781	4,608,609	3,816,332
57,533,689	29,137,438	55,397,307	53,460,982	54,267,485	53,064,184
0	0	0	0	0	0
62,172,735	35,186,733	60,118,874	57,022,763	58,876,094	56,880,516
96,506,253	95,366,779	94,121,187	95,802,036	165,244,985	162,223,202
9,677,972	11,333,241	11,415,832	10,584,362	11,763,457	12,245,548
18,484,817	17,859,066	18,606,460	17,008,329	8,835,834	8,399,226
1,083,663	747,968	660,791	1,149,317	927,658	824,985
18,587,883	15,189,457	18,505,586	14,929,426	13,636,472	12,466,220
3,700,471	3,614,243	4,596,315	3,826,663	5,217,631	4,528,097
1,500,067	1,543,948	2,578,038	2,550,132	2,399,243	2,024,427
22,163,606	20,595,511	21,073,668	19,227,426	20,987,840	20,446,564
16,741,034	17,954,929	17,184,232	17,396,242	16,306,093	15,730,944
7,291,951	7,798,118	10,263,636	9,027,827	7,476,402	7,908,228
73,765,748	72,608,042	69,881,407	69,883,726	10,339,937	10,310,798
1,997,118	1,885,787	1,773,357	1,779,626	1,984,798	2,004,762
12,029,713	10,796,083	9,954,404	6,046,324	6,134,499	9,636,179
5,123,531	5,819,416	9,694,823	8,420,106	9,276,491	19,201,699
288,653,827	283,112,588	290,309,736	277,631,542	280,531,340	287,950,879
(\$226,481,092)	(\$247,925,855)	(\$230,190,862)	(\$220,608,779)	(\$221,655,246)	(\$231,070,363)

(continued)

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

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Net Expense	(\$237,525,760)	(\$144,887,160)	(\$209,693,415)	(\$210,276,926)
General Revenues:				
Property Taxes Levied for:				
General Purposes	74,230,414	73,210,958	65,646,213	66,244,784
Debt Service	13,969,176	14,391,679	12,834,750	12,081,522
Capital Projects	798,454	810,634	725,811	686,935
Other Purposes	798,454	810,635	725,812	686,936
Grants and Entitlements Not Restricted to Specific Programs	111,070,302	93,566,583	113,682,762	143,522,125
Gifts and Donations	0	0	0	0
Gain on Sale of Capital Assets	0	0	0	0
Investment Earnings	14,906,186	17,146,192	14,276,257	4,745,892
Miscellaneous	4,723,749	6,542,377	5,422,664	5,183,589
Special Item	0	0	0	0
Total General Revenues and Special Item	<u>220,496,735</u>	<u>206,479,058</u>	<u>213,314,269</u>	<u>233,151,783</u>
Change in Net Position	<u>(\$17,029,025)</u>	<u>\$61,591,898</u>	<u>\$3,620,854</u>	<u>\$22,874,857</u>

- (1) The School District implemented GASB 68 in fiscal year 2015. The effects of GASB 68 are first reflected in 2014.

2010	2011	2012	2013	2014 (1)	2015 (1)
(\$226,481,092)	(\$247,925,855)	(\$230,190,862)	(\$220,608,779)	(\$221,655,246)	(\$231,070,363)
63,864,510	74,266,805	49,195,475	56,770,433	64,113,221	63,695,828
11,412,497	14,750,041	9,936,314	14,468,317	15,677,509	14,428,103
654,684	773,364	522,806	585,370	658,127	651,848
654,683	773,364	522,806	585,368	658,127	651,848
166,650,134	160,821,538	142,564,676	138,351,191	142,562,668	155,167,829
0	0	0	7,245	0	0
0	0	130,000	0	0	0
(6,557,960)	5,801,584	2,150,190	(399,516)	360,954	716,208
4,624,342	5,200,287	6,485,271	915,656	1,894,166	1,237,882
0	0	0	0	(775,455)	0
241,302,890	262,386,983	211,507,538	211,284,064	225,149,317	236,549,546
\$14,821,798	\$14,461,128	(\$18,683,324)	(\$9,324,715)	\$3,494,071	\$5,479,183

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

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

	2006	2007	2008	2009
<b>General Fund:</b>				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	0	0	0	0
Unassigned (Deficit)	0	0	0	0
Reserved	14,560,529	6,330,325	5,211,314	6,289,229
Unreserved (Deficit)	5,844,576	(6,295,473)	(319,010)	279,230
<b>Total General Fund</b>	<b>\$20,405,105</b>	<b>\$34,852</b>	<b>\$4,892,304</b>	<b>\$6,568,459</b>
<b>All Other Governmental Funds:</b>				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Unassigned (Deficit)	0	0	0	0
Reserved	82,594,602	127,820,587	42,417,236	61,517,410
Unreserved, Reported in:				
Special Revenue Funds	4,162,457	5,260,400	4,921,336	4,716,508
Debt Service Fund	14,058,105	14,494,701	13,977,212	11,899,467
Capital Projects Funds	185,877,391	111,135,925	133,053,990	102,417,098
<b>Total All Other Governmental Funds</b>	<b>\$286,692,555</b>	<b>\$258,711,613</b>	<b>\$194,369,774</b>	<b>\$180,550,483</b>

**Notes:**

The School District implemented GASB 54 in fiscal year 2011.  
The effects of GASB 54 are first reflected in 2010.

2010	2011	2012	2013	2014	2015
\$894,677	\$1,183,167	\$1,120,782	\$161,798	\$161,798	\$245,050
347,205	87,383	109,751	4,117,751	0	3,065,044
4,498,288	8,739,049	16,705,284	0	(3,784,487)	1,037,233
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$5,740,170</u>	<u>\$10,009,599</u>	<u>\$17,935,817</u>	<u>\$4,279,549</u>	<u>(\$3,622,689)</u>	<u>\$4,347,327</u>
\$201,138	\$119,182	\$56,420	\$0	\$0	\$0
147,679,559	94,212,021	61,541,462	58,376,847	61,958,295	52,251,761
(2,609,600)	(2,737,367)	(2,157,329)	(374,324)	(61,071)	(79,987)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$145,271,097</u>	<u>\$91,593,836</u>	<u>\$59,440,553</u>	<u>\$58,002,523</u>	<u>\$61,897,224</u>	<u>\$52,171,774</u>

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

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

	2006	2007	2008	2009
<b>Revenues:</b>				
Property and Other Local Taxes	\$92,172,361	\$90,489,848	\$81,561,049	\$76,223,293
Intergovernmental	198,176,022	216,757,616	226,479,942	233,641,391
Investment Earnings	13,151,796	17,260,845	13,782,073	5,782,612
Tuition and Fees	983,594	1,493,412	2,103,573	2,105,684
All Other Revenues	7,625,405	9,500,464	8,591,424	7,732,819
<b>Total Revenue</b>	<b>312,109,178</b>	<b>335,502,185</b>	<b>332,518,061</b>	<b>325,485,799</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Instruction	107,085,761	115,046,682	91,854,848	99,360,164
<b>Support Services:</b>				
Pupils	9,534,492	9,863,485	10,214,217	10,671,850
Instructional Staff	22,094,580	19,559,431	13,614,035	15,418,891
Board of Education	1,510,498	1,108,281	1,515,645	704,595
Administration	14,836,577	13,538,125	12,102,344	16,112,024
Fiscal and Business	5,762,890	4,635,879	5,714,758	5,414,391
Operation and Maintenance of Plant	25,814,651	22,875,579	22,612,843	22,020,305
Pupil Transportation	18,403,871	18,557,040	17,289,289	15,292,841
Central	8,123,218	7,189,660	6,332,612	7,546,319
Operation of Non-Instructional Services	63,642,951	62,658,030	69,785,072	71,922,219
Extracurricular Activities	1,651,637	1,841,486	1,422,323	1,910,692
Capital Outlay	58,989,483	87,105,790	120,414,866	51,779,324
<b>Debt Service:</b>				
Principal Retirement	6,362,762	7,026,683	6,631,517	6,855,890
Interest and Fiscal Charges	12,293,703	12,175,930	11,969,440	12,133,216
Current Refunding	0	0	0	0
Swap Termination Fee	0	0	0	0
Accretion	0	0	0	0
Advance Refunding Escrow	0	0	0	0
Issuance Costs	0	0	0	0
<b>Total Expenditures</b>	<b>356,107,074</b>	<b>383,182,081</b>	<b>391,473,809</b>	<b>337,142,721</b>
<b>Excess of Revenues Under Expenditures</b>	<b>(43,997,896)</b>	<b>(47,679,896)</b>	<b>(58,955,748)</b>	<b>(11,656,922)</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	8,403	10,883	91,060	98,849
Inception of Capital Leases	1,500,000	0	0	0
Current Refunding Bonds Issued	0	0	0	0
Current Refunding	0	0	0	0
Refunding Bonds Issued	0	0	0	0
Proceeds from Sale of Notes	0	0	0	0
Premium on Issuance of Bonds	0	0	0	0
Premium on Issuance of Refunding Bonds	0	0	0	0
Payment to Refunding Bonds Escrow Agent	0	0	0	0
Refunding Notes Issued	0	0	0	0
Proceeds from Sale of Options	0	0	0	0
Transfers In	475,018	444,226	20,600,018	23,006,814
Transfers Out	(809,354)	(1,126,408)	(21,219,717)	(23,591,877)
<b>Total Other Financing Sources (Uses)</b>	<b>1,174,067</b>	<b>(671,299)</b>	<b>(528,639)</b>	<b>(486,214)</b>
<b>Net Change in Fund Balance</b>	<b>(\$42,823,829)</b>	<b>(\$48,351,195)</b>	<b>(\$59,484,387)</b>	<b>(\$12,143,136)</b>

*Debt Service as a Percentage of Noncapital Expenditures*

6.28%                      6.49%                      6.86%                      6.65%

2010	2011	2012	2013	2014	2015
\$69,279,536	\$72,603,902	\$68,395,202	\$67,189,704	\$72,959,640	\$76,057,644
243,734,419	220,348,538	204,754,204	191,347,183	195,779,510	210,204,788
1,427,190	1,774,828	1,170,074	575,840	431,199	678,042
1,285,216	2,764,195	2,181,368	1,164,730	1,778,113	1,385,333
8,075,526	8,512,622	9,043,234	3,339,508	5,024,191	3,585,361
<u>323,801,887</u>	<u>306,004,085</u>	<u>285,544,082</u>	<u>263,616,965</u>	<u>275,972,653</u>	<u>291,911,168</u>
97,474,076	97,124,824	91,211,967	95,154,860	164,797,627	168,714,248
9,421,194	11,509,619	11,282,269	10,919,710	12,469,823	12,972,711
18,457,903	18,142,239	18,516,548	17,431,368	9,901,114	9,086,069
1,043,473	732,653	629,222	1,135,863	945,478	826,304
18,431,062	15,194,443	18,434,096	14,333,319	14,390,511	13,275,087
5,171,192	5,118,077	7,137,785	6,286,960	7,462,445	6,582,722
21,924,172	20,512,238	20,812,849	19,504,200	21,627,130	21,040,285
18,108,151	17,123,253	18,317,466	16,296,573	15,176,922	14,325,323
6,762,566	7,687,374	10,532,374	8,877,094	7,223,004	7,614,338
73,427,459	72,775,088	69,737,428	70,402,708	10,963,005	10,779,206
1,953,493	1,871,742	1,732,629	1,697,331	1,931,923	2,010,106
76,457,572	67,536,348	24,089,932	908,877	369,545	412,868
7,531,334	7,842,900	9,582,257	7,960,000	8,310,000	7,849,989
12,479,835	11,246,601	10,384,326	6,647,585	6,992,202	11,501,207
0	0	0	0	5,000	5,425,000
0	0	0	12,955,000	0	17,846,129
0	0	0	0	0	2,120,011
0	0	0	2,280,563	0	0
0	0	292,498	0	0	0
<u>368,643,482</u>	<u>354,417,399</u>	<u>312,693,646</u>	<u>292,792,011</u>	<u>282,565,729</u>	<u>312,381,603</u>
<u>(44,841,595)</u>	<u>(48,413,314)</u>	<u>(27,149,564)</u>	<u>(29,175,046)</u>	<u>(6,593,076)</u>	<u>(20,470,435)</u>
0	0	130,000	0	1,700,567	0
0	0	0	0	0	0
0	0	0	0	0	90,360,000
0	0	0	0	(93,445,000)	(88,025,000)
0	0	14,735,000	98,284,989	93,445,000	0
0	0	2,495,000	0	0	0
0	0	64,898	0	0	0
0	0	628,370	16,438,446	884,972	16,380,001
0	0	(15,130,769)	(194,092,687)	0	0
0	0	0	93,450,000	0	0
9,685,000	0	0	0	0	0
3,460,042	1,500,000	16,179,663	1,242,486	279,315	21,500,000
<u>(4,384,707)</u>	<u>(2,494,518)</u>	<u>(16,179,663)</u>	<u>(1,242,486)</u>	<u>(279,315)</u>	<u>(21,500,000)</u>
<u>8,760,335</u>	<u>(994,518)</u>	<u>2,922,499</u>	<u>14,080,748</u>	<u>2,585,539</u>	<u>18,715,001</u>
<u>(\$36,081,260)</u>	<u>(\$49,407,832)</u>	<u>(\$24,227,065)</u>	<u>(\$15,094,298)</u>	<u>(\$4,007,537)</u>	<u>(\$1,755,434)</u>

6.85%

6.65%

6.98%

5.00%

5.42%

6.88%

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

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

Collection Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2015	\$1,328,401,510	\$4,189,555,171	\$93,576,040	\$232,153,620
2014	1,466,344,310	4,189,555,171	90,396,100	232,153,620
2013	1,459,489,480	4,169,969,943	82,448,800	211,743,509
2012	1,513,906,510	4,325,447,171	76,811,230	197,265,204
2011	1,747,249,560	4,992,141,600	74,225,500	190,624,580
2010	1,770,190,640	5,057,687,543	72,227,100	185,850,333
2009	1,794,498,110	5,130,285,140	72,915,370	184,430,587
2008	1,849,984,400	5,285,669,714	71,137,000	182,692,750
2007	1,859,214,090	5,312,040,257	95,265,070	244,658,021
2006	1,882,065,240	5,377,329,257	96,489,120	247,801,604

Source: Montgomery County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the Auditor.

**Notes:**

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax has been phased out. The 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out assessment percent was 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. Telephone property tax was phased out beginning in 2006. The listing percentage is 25 percent for 2006, 20 percent for 2007, 15 percent for 2008, 10 percent for 2009, 5 percent for 2010 and zero for 2011.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent and 2 1/2 percent rollback and the homestead exemption before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.

Tangible Personal Property		Total		Total Direct Tax Rate	Assessed Value Ratio
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$0	\$0	\$1,421,977,550	\$4,421,708,791	\$79.85	35.2%
0	0	1,556,740,410	4,421,708,791	79.85	35.2
0	0	1,541,938,280	4,381,713,452	79.85	35.2
0	0	1,590,717,740	4,522,712,376	77.52	35.2
0	0	1,821,475,060	5,182,766,180	76.52	35.1
2,404,820	9,619,280	1,844,822,560	5,253,157,156	75.75	35.1
15,661,840	20,882,453	1,883,075,320	5,335,598,180	75.75	35.3
93,440,335	1,495,045,360	2,014,561,735	6,963,407,824	70.85	28.9
139,769,404	607,693,061	2,094,248,564	6,164,391,339	70.85	34.0
187,024,961	813,152,004	2,165,579,321	6,438,282,865	70.85	33.6

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

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$1,000 ASSESSED VALUATION)  
LAST TEN CALENDAR YEARS

School District Millage					
YEAR	Operating	Debt Service	Permanent Improvement	Maintenance and Upkeep	Total
2015	\$67.55	\$11.30	\$0.50	\$0.50	\$79.85
2014	67.55	11.30	0.50	0.50	79.85
2013	67.55	11.30	0.50	0.50	79.85
2012	67.55	8.97	0.50	0.50	77.52
2011	67.55	7.97	0.50	0.50	76.52
2010	67.55	7.20	0.50	0.50	75.75
2009	67.55	7.20	0.50	0.50	75.75
2008	62.65	7.20	0.50	0.50	70.85
2007	62.65	7.20	0.50	0.50	70.85
2006	62.65	7.20	0.50	0.50	70.85

Source: Montgomery County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the Auditor.

**Notes:**

(a) Overlapping millage presented is total millage for the subdivision.

Overlapping Millage (a)

Montgomery County	City of Dayton	Dayton Montgomery County Library	City of Trotwood	City of Riverside	Harrison Township	Jefferson Township
\$21.94	\$10.00	\$3.31	\$23.80	\$11.34	\$32.97	\$18.59
20.94	10.00	3.31	23.80	11.34	28.97	18.59
20.94	10.00	3.31	19.65	11.34	24.97	18.59
20.94	10.00	1.75	19.65	11.34	24.97	18.59
20.94	10.00	1.75	19.65	11.34	24.97	18.59
20.94	10.00	1.75	19.65	11.34	23.97	18.59
20.94	10.00	1.25	16.65	11.34	23.97	18.59
20.24	10.00	1.25	17.39	11.34	21.00	18.59
18.24	10.00	1.25	17.39	11.34	21.00	18.59
18.24	10.00	1.25	17.39	11.34	19.05	18.59

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

<u>Name of Taxpayer</u>	<u>Fiscal Year 2015</u>			<u>Fiscal Year 2006</u>		
	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Value</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Value</u>
Dayton Power and Light Company	\$79,794,770	1	5.61%	\$ 50,055,680	1	2.31%
Vectren Energy Delivery of Ohio	14,336,300	2	1.01%	10,659,630	8	0.49%
City of Dayton	6,750,730	3	0.47%	12,717,860	7	0.59%
KND Real Estate 29 LLC	6,551,310	4	0.46%	N/A	N/A	N/A
Dayton Hotel II LLC	5,171,320	5	0.36%	N/A	N/A	N/A
Miami Valley Hospital	4,380,130	6	0.31%	N/A	N/A	N/A
Ohio Indiana Property LLC	4,341,930	7	0.31%	N/A	N/A	N/A
Ducru SPE LLC	3,953,770	8	0.28%	N/A	N/A	N/A
Titan Loan Investment Fund LP	3,643,960	9	0.25%	N/A	N/A	N/A
Premier Plaza LP	3,567,170	10	0.25%	N/A	N/A	N/A
Delphi Automotive Systems	N/A	N/A	N/A	29,806,600	2	1.38%
NCR Corporation	N/A	N/A	N/A	17,307,270	3	0.80%
Ohio Bell Telephone Company	N/A	N/A	N/A	27,332,800	4	1.26%
BEHR Dayton Terminal	N/A	N/A	N/A	23,589,840	5	1.09%
Arts Center Foundation	N/A	N/A	N/A	16,082,190	6	0.74%
The Reynolds and Reynolds Co.	N/A	N/A	N/A	8,209,400	9	0.38%
Marriot International	N/A	N/A	N/A	7,490,000	10	0.35%
Subtotal	132,491,390		9.31%	203,251,270		9.39%
All Other Taxpayers	<u>1,289,486,160</u>		<u>90.69%</u>	<u>1,962,328,051</u>		<u>90.61%</u>
Total Assessed Valuation	<u>\$1,421,977,550</u>		<u>100.00%</u>	<u>\$2,165,579,321</u>		<u>100.00%</u>

Source: Montgomery County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the Auditor.

N/A - Information not available

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

Collection Year (1)	Current Levy	Current Tax Collections (2)	Percent of Current Levy Collected	Delinquent Tax Collections (3)
2015	\$86,119,321	\$75,356,526	87.5%	\$7,212,382
2014	89,028,266	76,612,394	86.1	6,855,700
2013	87,607,359	75,771,460	86.5	5,573,767
2012	85,956,230	71,914,936	83.7	5,706,881
2011	88,240,878	75,895,004	86.0	4,540,620
2010	87,326,213	74,670,801	85.5	4,924,943
2009	88,548,073	77,026,897	87.0	6,180,051
2008	85,494,306	76,484,514	89.5	7,561,992
2007	94,359,884	83,077,715	88.0	9,047,073
2006	102,017,933	86,512,282	84.8	11,965,577

Source: Montgomery County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the Auditor.

**Notes:**

- (1) Represents collection year. 2015 information represents tax levies and collections through November 1, 2015.
- (2) State reimbursements of rollback and homestead exemptions are included.
- (3) The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.
- (4) Penalties and interest are included since by Ohio law they become part of the tax obligation as assessment occurs.

Total Tax Collections	Total Collection As a Percent of Current Levy	Outstanding Delinquent Taxes (4)	Delinquent Taxes to Current Tax Levy
\$82,568,908	95.9%	\$50,246,721	58.3%
83,468,094	93.8	46,862,257	52.6
81,345,227	92.9	38,441,505	43.9
77,621,817	90.3	34,825,288	40.5
80,435,624	91.2	43,043,091	48.8
79,595,744	91.1	24,878,970	28.5
83,206,948	94.0	17,328,667	19.6
84,046,506	98.3	15,259,202	17.8
92,124,788	97.6	15,928,159	16.9
98,477,859	96.5	17,896,768	17.5

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

**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Year	<u>General Bonded Debt</u>	Percentage of Total Assessed Property Value (a)	Per Capita (b)	<u>Other Debt Obligations</u>	
	General Obligation Bonds			Long-Term Notes Payable	Certificates of Participation
2015	\$205,191,960	14.43%	\$1,455	\$0	\$14,231,321
2014	109,785,910	7.05	768	94,058,117	14,803,284
2013	117,683,113	7.63	833	94,289,559	15,320,247
2012	209,887,137	13.19	1,483	1,050,000	15,357,210
2011	214,669,313	11.79	1,517	1,400,000	14,760,000
2010	221,745,305	12.02	1,441	1,750,000	15,070,000
2009	228,566,297	12.14	1,458	2,100,000	15,350,000
2008	234,767,289	11.65	1,478	2,450,000	15,600,000
2007	240,793,281	11.50	1,516	2,800,000	15,825,000
2006	246,734,273	11.39	1,539	3,150,000	16,025,000

**Notes:**

- (1) The School District reports only governmental activities and has no component units.
- (2) Details of the School District's outstanding debt can be found in Note 14 to in the Notes to the Basic Financial Statements.
- (a) See assessed and estimated actual value of taxable property for total assessed property value.
- (b) See demographics schedule for personal income and population data, which are reported on a calendar year basis.
- (3) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

<u>Other Debt Obligations</u>		<u>Total Outstanding Debt Obligations</u>	<u>Percentage of Personal Income (b)</u>	<u>Per Capita (b)</u>
<u>QZAB Bonds</u>	<u>Capital Leases</u>			
\$10,000,000	\$0	\$229,423,281	9.90%	\$1,627
10,000,000	0	228,647,311	9.71	1,595
10,000,000	0	237,292,919	10.22	1,679
10,000,000	0	236,294,347	14.85	1,670
10,000,000	2,072,257	242,901,570	11.40	1,716
10,000,000	2,705,157	251,270,462	11.71	1,633
10,000,000	3,311,491	259,327,788	10.96	1,654
10,000,000	3,892,381	266,709,670	13.14	1,679
10,000,000	4,448,898	273,867,179	13.57	1,724
10,000,000	5,510,581	281,419,854	14.11	1,756

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

	2006	2007	2008	2009
Total Assessed Property Value	\$2,165,579,321	\$2,094,248,564	\$2,014,561,735	\$1,883,075,320
Overall Direct Debt Limitation:				
Bond Debt Limit (a)	194,902,139	188,482,371	181,310,556	169,476,779
Net Bond Indebtedness (c)	<u>(221,501,895)</u>	<u>(215,650,299)</u>	<u>(210,667,788)</u>	<u>(207,070,533)</u>
Overall Debt Margin (b)	<u><u>(\$26,599,756)</u></u>	<u><u>(\$27,167,928)</u></u>	<u><u>(\$29,357,232)</u></u>	<u><u>(\$37,593,754)</u></u>
<i>Total net bonded debt applicable to the limit as a percentage of overall direct debt limitation</i>	<i>113.65%</i>	<i>114.41%</i>	<i>116.19%</i>	<i>122.18%</i>
Unvoted Direct Debt Limitation:				
Unvoted Debt Limit (a)	2,165,579	2,094,249	2,014,562	1,883,075
Unvoted Debt Outstanding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u><u>\$2,165,579</u></u>	<u><u>\$2,094,249</u></u>	<u><u>\$2,014,562</u></u>	<u><u>\$1,883,075</u></u>
<i>Total unvoted debt applicable to the limit as a percentage of unvoted direct debt limitation</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>

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

**Notes:**

- (a) Ohio Bond Law sets a limit of 9% for voted debt, 9/10 of 1% for energy conservation and 1/10 of 1% for unvoted debt.  
(b) The Superintendent of Public Instruction in Ohio, in accordance with Ohio Revised Code Section 133.06(E), certified the School District as an "Approved Special Needs District" in 2003, which enabled the School District to issue bonded debt in excess of the limits statutorily set by the Ohio Bond Law.  
(c) Starting in 2013, this amount comes directly from the School Districts Bond Counsel.

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$1,844,822,560	\$1,821,475,060	\$1,590,717,740	\$1,541,938,280	\$1,556,740,410	\$1,421,977,550
166,034,030 <u>(204,107,463)</u>	163,932,755 <u>(199,510,750)</u>	143,164,597 <u>(195,632,944)</u>	138,774,445 <u>(183,897,917)</u>	140,106,637 <u>(183,654,989)</u>	127,977,980 <u>(177,961,090)</u>
<u><u>(\$38,073,433)</u></u>	<u><u>(\$35,577,995)</u></u>	<u><u>(\$52,468,347)</u></u>	<u><u>(\$45,123,472)</u></u>	<u><u>(\$43,548,352)</u></u>	<u><u>(\$49,983,110)</u></u>
<i>122.93%</i>	<i>121.70%</i>	<i>136.65%</i>	<i>132.52%</i>	<i>131.08%</i>	<i>139.06%</i>
1,844,823 <u>0</u>	1,821,475 <u>0</u>	1,590,718 <u>0</u>	1,541,938 <u>0</u>	1,556,740 <u>0</u>	1,421,978 <u>0</u>
<u><u>\$1,844,823</u></u>	<u><u>\$1,821,475</u></u>	<u><u>\$1,590,718</u></u>	<u><u>\$1,541,938</u></u>	<u><u>\$1,556,740</u></u>	<u><u>\$1,421,978</u></u>
<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2015

<u>Governmental Unit (1)</u>		<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Amount Applicable to School District</u>
Montgomery County	(b)	\$40,798,567	15.75%	\$6,425,774
City of Dayton	(b)	28,791,482	83.96%	24,173,328
City of Riverside	(b)	3,180,596	12.57%	399,801
City of Trotwood	(b)	12,618,178	15.91%	<u>2,007,552</u>
Subtotal, Overlapping Debt				33,006,455
School District Direct Debt			100.00%	<u>229,423,281</u>
Total Direct and Overlapping Debt				<u><u>\$262,429,736</u></u>

Source: Ohio Municipal Advisory Council

**Notes:**

- (1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the School District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the School District. This process recognizes that, when considering the School District's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account.
- (a) Percentages were determined by dividing the assessed valuation of the subdivision located within the boundaries of the School District by the total assessed value of the subdivision.
- (b) Debt outstanding is as of December 31, 2014.

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

Year	Revenue	Tax Anticipation Notes (a)		Coverage
		Principal	Interest	
2015	\$615,618	\$350,000	\$6,405	1.727
2014	590,795	350,000	19,215	1.600
2013	557,340	350,000	32,132	1.459
2012	580,343	350,000	44,835	1.470
2011	618,623	350,000	57,645	1.518
2010	590,217	350,000	70,277	1.404
2009	665,845	350,000	83,265	1.537
2008	743,728	350,000	96,289	1.666
2007	820,988	350,000	108,885	1.789
2006	827,700	350,000	121,695	1.755

**Notes:**

(1) Details regarding the School District's outstanding debt can be found in Note 14 to the Basic Financial Statements.

(a) These bonds are backed by the tax revenues collected on a one-half of one mill permanent improvement levy approved by voters in calendar year 2002.

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

Year	City of Dayton Population (1)	Personal Income (2)	Per Capita Personal Income	Unemployment Rate (3)
2014	141,003	\$2,316,256,281	\$16,427	4.7%
2013	143,355	2,354,892,585	16,427	5.4
2012	141,359	2,322,104,293	16,427	6.8
2011	141,527	1,590,717,740	11,240	9.8
2010	141,527	2,130,738,407	15,055	11.3
2009	153,843	2,144,937,339	13,942	12.1
2008	156,771	2,366,597,490	15,096	12.1
2007	158,873	2,029,749,085	12,776	7.2
2006	158,873	2,017,874,488	12,701	8.3
2005	160,293	1,994,164,343	12,441	7.6

- Source::
- (1) U.S. Census Bureau and Miami Valley Regional Planning Commission, reported on calendar year-end.
  - (2) Ohio Department of Taxation. Current year amounts are not available, therefore estimates based on trends were used to calculate this amount.
  - (3) Ohio Bureau of Employment Services, reported on calendar year-end

**DAYTON CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

Employer	Fiscal Year 2015			Fiscal Year 2007		
	Employees (a)	Rank	Percentage of Total Employees	Employees (a)	Rank	Percentage of Total Employees
Wright Patterson Air Force Base	27,400	1	39.73%	21,000	1	27.30%
Premier Health Partners	14,135	2	20.49%	9,000	3	11.70%
Kettering Medical Center Network	5,029	3	7.29%	7,000	4	9.10%
Montgomery County	4,559	4	6.61%	4,000	8	5.20%
Kroger Co.	4,100	5	5.95%	N/A	N/A	N/A
LexisNexis	3,100	6	4.50%	N/A	N/A	N/A
Wright State University	2,948	7	4.27%	N/A	N/A	N/A
Sinclair Community College	2,726	8	3.95%	N/A	N/A	N/A
Dayton City School District	2,574	9	3.73%	N/A	N/A	N/A
AK Steel Corporation	2,400	10	3.48%	N/A	N/A	N/A
Honda of America Manufacturing, Inc.	N/A	N/A	N/A	13,000	2	16.90%
Delphi Corporation	N/A	N/A	N/A	6,000	5	7.80%
Meijer Inc.	N/A	N/A	N/A	5,025	6	6.53%
The Reynolds and Reynolds Co.	N/A	N/A	N/A	4,400	7	5.72%
General Motors Corporation	N/A	N/A	N/A	4,000	9	5.20%
Miami University	N/A	N/A	N/A	3,500	10	4.55%
Total	<u>68,971</u>		<u>100.00%</u>	<u>76,925</u>		<u>100.00%</u>

Source: City of Dayton/Dayton Business Journal

**Notes:**

- (1) Information is presented on a calendar year basis as no information was available at the end of the School District's fiscal year.
  - (2) Data is presented for the Dayton Metropolitan Area which does not have the same boundaries as Dayton City School District, however, this was the only data available.
    - (a) Amount reported is employee headcount which differs from the "Full Time Equivalent" numbers reported elsewhere in this section.
    - (b) Information prior to 2007 is unavailable.
- N/A - Information not available

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

OPERATING STATISTICS  
LAST TEN FISCAL YEARS

Year	Average Daily Membership	Operating Expenditures (1)	Cost per Pupil	Percentage Change (2)	Expenses (3)	Cost per Pupil
2015	13,350	\$256,447,193	19,210	1.15%	\$268,749,180	20,131
2014	13,516	255,925,977	18,935	27.03	271,254,849	20,069
2013	13,616	202,959,747	14,906	1.02	269,211,436	19,772
2012	14,179	209,215,309	14,755	0.92	280,614,913	19,791
2011	14,174	207,237,315	14,621	-5.07	283,112,588	19,974
2010	13,664	210,456,733	15,402	8.77	286,809,065	20,990
2009	14,393	203,818,669	14,161	17.26	282,725,302	19,643
2008	16,157	195,120,251	12,077	-11.76	274,638,780	16,998
2007	16,517	226,049,108	13,686	2.03	294,769,145	17,846
2006	17,054	228,759,125	13,414	9.05	299,475,167	17,560

**Notes:**

(1) Operating expenditures are total governmental fund expenditures less capital outlay, debt service and intergovernmental expenditures which are recorded as non-instructional services and represent pass-through payments from the State of Ohio to charter schools within the School District boundaries.

(2) Decrease in operating costs reported for 2008 was due to budget reductions implemented by the School District as part of its "fiscal recovery plan" developed to avoid a cash deficit during the fiscal year.

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

<u>Percentage Change</u>	<u>Number of Teaching Staff</u>	<u>Pupil-Teacher Ratio</u>	<u>Percentage of Free or Reduced Price Meals</u>
0.31%	1,033	12.92	100.00%
1.50	1,053	12.84	100.00
-0.10	1,086	12.54	96.53
-0.92	1,178	12.04	77.90
-4.84	1,038	13.66	81.78
6.86	1,052	12.99	74.56
15.56	1,146	12.56	74.56
-4.75	1,163	13.89	68.60
1.63	1,405	11.76	72.00
3.54	1,432	11.91	72.00

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

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Official/Administrative</b>										
Asst. Principal	23	22	13	20	22	24	18	17	21	21
Principals	33	37	35	35	32	34	30	30	32	32
Superintendent	1	1	1	1	1	1	1	1	1	1
Supervisor/Manager	41	30	39	40	41	36	38	40	40	10
Treasurer	1	1	1	1	1	1	1	2	2	1
Coordinator	15	8	10	12	14	12	12	13	17	30
Director	7	5	11	10	11	11	18	16	16	38
Other Official/Administrative	5	5	5	4	4	3	4	5	5	2
<b>Totals</b>	<u>126</u>	<u>109</u>	<u>115</u>	<u>123</u>	<u>126</u>	<u>122</u>	<u>122</u>	<u>124</u>	<u>134</u>	<u>135</u>
<b>Professional - Educational/Other</b>										
Curriculum Specialist	78	57	38	48	67	66	23	22	24	5
Counseling	11	18	12	14	14	14	12	13	13	13
Librarian/Media	10	11	10	10	9	8	7	7	7	7
Remedial Specialist	0	0	5	29	23	29	18	5	7	9
Tutor/Small Group Instructor	27	21	37	7	0	0	29	29	31	8
Supplemental Service Teacher (Special Education)	0	0	36	77	66	60	40	45	48	66
General Education	703	687	640	586	610	614	574	586	654	575
Gifted and Talented	0	0	0	4	3	4	3	3	3	3
Preschool Special Education	0	0	0	29	33	33	32	32	32	36
Special Education	225	184	204	205	210	195	194	186	186	152
Career-Technical Programs/Pathways	3	33	41	38	24	23	23	22	22	24
Art Education K-8	0	0	0	27	24	23	22	24	24	33
Music Education K-8	0	0	0	38	39	36	24	21	21	27
Physical Education K-8	0	0	0	41	39	33	32	36	36	3
Other Professional	165	127	66	16	17	14	4	20	20	51
Psychologist	12	11	13	19	18	18	13	14	14	12
Registered Nursing	33	32	28	29	29	30	22	21	21	28
Speech and Language Therapist	22	19	18	19	17	20	19	17	17	13
Occupational Therapist	15	13	11	6	9	7	8	7	7	5
Educational Interpreter	22	22	19	18	16	16	13	12	12	13
Other Professional - Other	52	54	54	31	31	32	38	26	26	28
<b>Totals</b>	<u>1,378</u>	<u>1,289</u>	<u>1,232</u>	<u>1,291</u>	<u>1,298</u>	<u>1,275</u>	<u>1,150</u>	<u>1,148</u>	<u>1,225</u>	<u>1,111</u>
<b>Technical/Office/Clerical</b>										
Instructional Paraprofessional	0	0	17	264	296	283	236	232	234	258
Other Technical	16	14	12	13	14	13	8	12	12	4
Clerical	176	135	166	150	146	137	127	115	116	105
Teaching Aide	185	241	268	36	41	47	41	43	44	43
Other Office/Clerical	2	2	2	2	3	3	3	2	2	5
<b>Totals</b>	<u>380</u>	<u>393</u>	<u>465</u>	<u>465</u>	<u>500</u>	<u>483</u>	<u>415</u>	<u>404</u>	<u>408</u>	<u>415</u>
<b>Crafts and Trades/Operative</b>										
Mechanic	20	18	18	17	16	15	17	20	16	19
Other Crafts and Trades	39	39	41	38	40	38	38	36	36	35
Vehicle Operator (other than buses)	14	13	12	12	12	11	11	11	11	11
Vehicle Operator (buses)	212	183	206	199	215	203	181	156	156	161
Other Operative	13	12	9	9	9	9	9	8	8	4
<b>Totals</b>	<u>298</u>	<u>265</u>	<u>286</u>	<u>275</u>	<u>292</u>	<u>276</u>	<u>256</u>	<u>231</u>	<u>227</u>	<u>230</u>
<b>Service Work/Laborer</b>										
Custodian	177	151	150	146	145	127	117	114	115	115
Food Service	143	129	144	137	129	128	116	108	118	99
Guard/Watchman	20	19	20	23	24	24	26	25	22	31
Other Service Worker/Laborer	20	16	21	24	19	19	21	19	19	22
<b>Totals</b>	<u>360</u>	<u>315</u>	<u>335</u>	<u>330</u>	<u>317</u>	<u>298</u>	<u>280</u>	<u>266</u>	<u>274</u>	<u>267</u>
<b>Totals</b>	<u>2,542</u>	<u>2,371</u>	<u>2,433</u>	<u>2,484</u>	<u>2,533</u>	<u>2,454</u>	<u>2,223</u>	<u>2,173</u>	<u>2,268</u>	<u>2,158</u>

Source: Ohio Department of Education EMIS records

**DAYTON CITY SCHOOL DISTRICT**  
**MONTGOMERY COUNTY, OHIO**  
 TEACHER EDUCATION AND EXPERIENCE  
 JUNE 30, 2015

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	209	20.23%
Bachelor's + 18 Semester Hours of Graduate Credit	85	8.23
Master's Degree	585	56.63
Master's Degree + 30 Semester Hours of Graduate Credit	141	13.65
Doctorate Degree	<u>13</u>	<u>1.26</u>
Total	<u><u>1,033</u></u>	<u><u>100.00</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0-5	214	20.72
6-10	173	16.75
11-15	176	17.04
16 and Over	<u>470</u>	<u>45.49</u>
Total	<u><u>1,033</u></u>	<u><u>100.00%</u></u>

Source: Dayton City School District Human Resources Records

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

CAPITAL ASSET INFORMATION  
LAST TEN FISCAL YEARS

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

Source: Dayton City Schools Records

Notes:

- (a) These buildings are not used starting fiscal year 2009 due to the district's decision not to have separate middle schools. All the middle schools are closed. They merged the middle and the elementary schools together and formed PK-8 schools.
- (b) These buildings represent combination and alternative center. Enrollment for these buildings are included in the appropriate level above.

2010	2011	2012	2013	2014	2015
19	22	22	22	22	21
1,473,978	1,461,913	1,584,111	1,584,111	1,536,502	1,536,502
10,338	10,662	10,453	10,453	10,035	9,931
9,612	9,726	10,060	10,419	9,178	8,951
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4	4	4	4	6	6
714,815	986,583	514,184	923,077	923,077	923,077
4,192	5,119	2,910	4,708	4,708	4,708
4,052	4,114	4,087	3,460	4,160	4,192
9	3	4	2	1	1
779,764	220,282	558,675	149,782	98,934	98,934
4,689	1,248	3,046	1,248	919	919
(b)	334	1,964	297	178	207
1	1	1	1	1	1
150,000	150,000	150,000	150,000	150,000	150,000
5	6	4	4	4	4
224,639	191,474	106,399	106,399	106,399	106,399
1	1	1	1	1	1
239	223	225	216	200	196
1	1	1	1	1	1
9	10	11	11	11	11
4	4	6	6	6	6
6	6	7	7	7	7
9	17	21	21	21	21
-	-	-	-	-	-
44	44	48	48	48	48
16	16	23	23	23	23

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## **Vision**

*We are a professional and highly motivated team collaborating with parents and community stakeholders in a city of learners, guided by mutual accountability and cultural competence, to create an academic, tech-savvy, physical, emotional, social and safe environment where education takes place.*



# Dave Yost • Auditor of State

DAYTON CITY SCHOOL DISTRICT

MONTGOMERY COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
MARCH 1, 2016