



**KETTERING CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1999**

Federal Grantor/ Pass Through Grantor Program	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program		10.550	\$0	\$94,986	\$0	\$94,986
School Breakfast Program	05-PU	10.553	48,423		48,423	
National School Lunch Program	03-PU & 04-PU	10.555	331,324		331,324	
Child Care Food Program	16-CC & 21-ML	10.558	8,396		8,396	
Total U.S. Department of Agriculture - Nutrition Cluster			<u>388,143</u>	<u>94,986</u>	<u>388,143</u>	<u>94,986</u>
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grant to States (IDEA Part B)	6B-SF	84.027	305,163	0	298,556	0
Special Education - Preschool Grant	PG-S1	84.173	3,042	0	3,042	0
Total Special Education Cluster			<u>308,205</u>	<u>0</u>	<u>301,598</u>	<u>0</u>
Adult Education	AB-S1	84.002	40,877	0	40,877	0
Title I	C1-S1	84.010	398,334	0	402,566	0
Vo. Ed - Carl Perkins	N/A	84.049	58,758	0	70,634	0
America Reads	N/A	84.117	45,000	0	32,397	0
Eisenhower Math and Science	MS-61	84.164	39,128	0	44,871	0
Safe/Drug Free Schools	DR-S1	84.186	48,148	0	45,283	0
Even Start	EV-S3	84.213	178,048	0	165,932	0
Goals 2000	G2-S2	84.276	151,693	0	157,962	0
Title VI	C2-S1	84.298	56,177	0	38,133	0
Even Start (Direct Receipt U.S. Department of Education) E-Rate		84.314	17,000	0	0	0
		84.XXX	18,593	0	18,593	0
Total U.S. Department of Education			<u>\$1,359,961</u>	<u>\$0</u>	<u>\$1,318,846</u>	<u>\$0</u>
Total Federal Assistance			<u>\$1,748,104</u>	<u>\$94,986</u>	<u>\$1,706,989</u>	<u>\$94,986</u>

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

**NOTES TO SCHEDULE OF FEDERAL AWARDS
EXPENDITURES FOR THE YEAR ENDED JUNE 30, 1999**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures is a summary of the activity of the District's federal awards programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - NUTRITION CLUSTER

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 1999, the District had no significant food commodities in inventory.

NOTE C - MATCHING REQUIREMENTS

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



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

Kettering City School District
Montgomery County
3750 Far Hills Avenue
Kettering, Ohio 45429

We have audited the financial statements of Kettering City School District as of and for the year ended June 30, 1999, and have issued our report thereon dated December 17, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Kettering City School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of Kettering City School District in a separate letter dated December 17, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Kettering City School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of Kettering City School District in a separate letter dated December 17, 1999.

Kettering City Schools
Montgomery County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a large loop at the end of the name.

JIM PETRO
Auditor of State

December 17, 1999



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

Kettering City School District
Montgomery County
3750 Far Hills Avenue
Kettering, Ohio 45429

Compliance

We have audited the compliance of Kettering City School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. Kettering City School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Kettering City School District's management. Our responsibility is to express an opinion on Kettering City School District's compliance based on our audit.

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

In our opinion, Kettering City School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. We noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 17, 1999.

Schedule of Federal Awards Expenditures

We have audited the general-purpose financial statements of Kettering City School District as of and for the year ended June 30, 1999, and have issued our report thereon dated December 17, 1999. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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



JIM PETRO
Auditor of State

December 17, 1999

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505**

June 30, 1999

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Special Education Cluster - CFDA #84.027 and 84.173 Title 1 - CFDA #84.010 Nutrition Cluster - CFDA #10.550, 10.553, 10.555, 10.558
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)

JUNE 30, 1999

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer Valid</u> ; <i>Explain:</i>
1998-10357-001	Ohio Revised Code Section 5705.41 (B)	Yes	N/A
1998-10357-002	Ohio Revised Code Section 5705.39	Yes	N/A
1998-10357-003	Year 2000 Compliance	Yes	N/A

KETTERING CITY
SCHOOL DISTRICT

KETTERING, OHIO



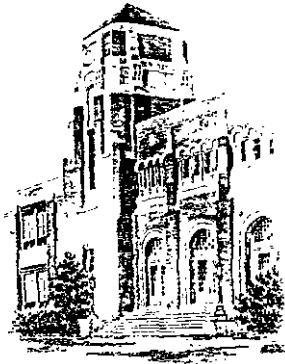
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

KETTERING CITY SCHOOL DISTRICT
KETTERING, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

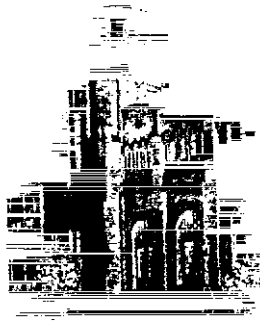
PREPARED BY: OFFICE OF THE TREASURER

JEROLD C. STECK, PH.D.
TREASURER



KETTERING CITY SCHOOL DISTRICT

INTRODUCTORY SECTION



SPRINGFIELD CITY SCHOOL DISTRICT

KETTERING CITY SCHOOL DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

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Kettering City School District

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December 17, 1999

Serving The

Children Of

Kettering

And Moraine

TO THE CITIZENS AND BOARD OF EDUCATION OF THE KETTERING CITY SCHOOL DISTRICT:

We are pleased to present the sixth Comprehensive Annual Financial Report (CAFR) of the Kettering City School District for the fiscal year ended June 30, 1999. This report was prepared by the Treasurer's Office, and includes the unqualified opinion of our independent auditors, The Ohio Auditor of State. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. The CAFR conforms to generally accepted accounting principles (GAAP) applicable to governmental entities.

The CAFR is presented in three sections:

Introductory Section - This section introduces the reader to the report and includes the table of contents, this transmittal letter, the Certificates of Excellence in Financial Reporting, the District's organizational chart and lists of principal and elected officials.

Financial Section - This section includes the unqualified opinion letter of our independent auditors, the Ohio Auditor of State, the general purpose financial statements and the combining and individual fund and account group financial statements and schedules.

Statistical Section - The information presented in this section is designed to reflect social and economical data, financial trends and the fiscal capacity of the District presented on a multi-year basis for comparative purposes.

Copies of this report will be widely distributed throughout the District. A copy will be sent to all school buildings, the Chamber of Commerce, major taxpayers, the Public Library, Moody's and Standard and Poor's financial rating services, banks, and any other interested parties.

This report includes all funds and account groups of the District. The District provides a full range of traditional and non-traditional educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory and vocational levels; a broad range of co-curricular and extra curricular activities; adult and community education offerings; special education programs and facilities and community recreation facilities.

In addition to providing these general activities, the District receives pass-thru State funds which are distributed to private and parochial schools located within the District boundaries. The private school served is: Alexandria Montessori. The parochial schools served are: St. Albert Elementary School, St. Charles Elementary School, Ascension Elementary School and Alter High School. While these organizations share operational and service similarity with the District, each are separate and distinct entities. Because of their independent nature, none of these organizations' financial statements are included in this report. The District has no component units.

HISTORY AND BACKGROUND

The year 1999 marked the 158th year of existence for the Van Buren Township/ Kettering City School District. Van Buren Township was established on June 26, 1841, through separation from Dayton. The township was at first divided into small one-room district schools (#1, #6, #9, #10, #11 and #12) and later into Carrmonte, Pasadena and Fairmont elementary districts. Oakwood and Belmont were originally part of Van Buren Township. Oakwood formed its own district in 1926. Later, the Belmont area was annexed to Dayton.

Kettering City, the second largest public school district in the greater Dayton metropolitan area, lies south of Dayton/Oakwood, north of Centerville/Washington Township and west of Greene County. The City of Kettering and part of the City of Moraine fall under the jurisdiction of the school district.

Three names have been associated with the current Kettering City School District: Van Buren, Kettering and Moraine.

Van Buren Township was named for President Martin Van Buren. In 1803, Montgomery County was created, and four townships were formed. Dayton Township included the area now known as Kettering. Van Buren Township separated from Dayton in 1841 and remained a separate township with its own schools until 1952, when residents voted to become the Village of Kettering.

In 1954, Dayton proposed annexing the Delco facilities. The earlier annexation of Belmont did not sit well with Van Buren Township. Not wanting further erosion of the township, Van Buren countered, applied for, and was granted exempted village status, the last time such status was given in Ohio. This move was spearheaded by then Superintendent Dwight L. Barnes and Assistant Superintendent J. E. Prass. The exempted village status precluded the proposed Delco annexation by Dayton and secured the area for Van Buren/Kettering.

A special census conducted in 1954-55 verified that the township had more than 10,000 residents, and in 1955, the township became the City of Kettering.

The City of Kettering and hence the Kettering City School District were named in honor of Charles F. Kettering, the noted inventor of the automobile self-starter and holder of more than 150 patents. Together with Edward A. Deeds, Mr. Kettering formed a partnership in 1909, known as the "Barn Gang" since they, and other engineers, worked in Deeds' barn. That partnership developed into the Dayton Engineering Laboratories Company (DELCO), with Deeds as President and Kettering as Vice-President. In 1916, DELCO was sold to General Motors. During World War I, Deeds and Kettering organized the Dayton Wright Airplane Company and invented "The Bug" a remote-controlled, unmanned aircraft. The war ended before "The Bug" could be used. Charles F. Kettering's other accomplishments included work with leaded gasoline, freon refrigeration, diesel locomotion, and quick-drying car paint.

Kettering was a very civic-minded man, directing both his efforts and funds into the Sloan-Kettering Institute for Cancer Research, the Kettering Foundation, which works to strengthen the public role in

government, educational and science policy, and the Miami Conservancy District, instrumental in flood control.

Moraine took its name from the pre-historic glacier which deposited vast amounts of sand and gravel over the terrain. Because of concern over police and fire department services, the west Moraine section voted to become a separate township in 1953. They became a village in 1957, and a city in 1965. Throughout this period, Moraine has retained its ties to the Kettering City School District.

The Kettering City School District currently has a population of about 62,371 and covers 21.3 square miles. The City of Moraine has 6,854 residents of which approximately 1,371 reside within the Kettering City School District and encompasses 9.22 square miles of which approximately 2.9 are within the Kettering City School District.

The District had 7,946 students (approximately 220 from Moraine) enrolled in nine elementary schools, two middle schools and one high school during the 1998-99 school year. Other facilities operated by the District include: a maintenance building, a transportation building, and the Central Office/Adult School Building which had been a high school and junior high school previously.

On September 15, 1998 the Kettering City Board of Education passed a resolution to change the name of the school district from the Kettering-Moraine School District to the Kettering City School District effective July 1, 1998.

ORGANIZATION OF THE DISTRICT

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

The Board members on June 30, 1999 were as follows:

Michael J. Howley
M. Christina Manchester
Julie Ann Gilmore
Sally Roush Brown
James S. Trent

The Superintendent is the chief executive officer of the District, responsible directly to the Board for all operations. Dr. Stephen Scovic retired on 7/31/98 and Dr. Robert A. Mengerink was appointed as Superintendent effective August 1, 1998.

The Treasurer is the chief financial officer of the District, responsible directly to the Board for maintaining all financial records, issuing all payments, maintaining custody of all District funds and assets, and investing idle funds as specified by Ohio Law. Dr. Jerold C. Steck was appointed Treasurer effective March 24, 1980.

ECONOMIC CONDITION AND OUTLOOK

The economic environment for Kettering's business community continued to be one of relative stability during 1998. Kettering's unemployment rate has consistently run well below the averages for the local area, the State of Ohio and the United States. This trend continued in 1998 and the first half of 1999.

Kettering's unemployment rate for 1998 was 2.2% compared to rates of 4.1% for Montgomery County, 4.3% for the State of Ohio and 4.5% for the United States.

Kettering's broad range of businesses includes several major employers. The largest of these is Delphi Chassis, a former division of General Motors, employing about 3,000 people in Kettering. Delphi manufactures brake systems and suspension components. General Motors Corporation announced at the end of 1996 that this facility has been identified as one of several unprofitable plants in North America. Since that announcement, General Motors officials have been examining the effectiveness and competitiveness of its Delphi Division. During the summer of 1998, potential buyers were looking over the Delphi plant. In August, General Motors announced that their board of directors approved spinning off its Delphi Division, making Delphi a fully independent, publicly traded company by the end of 1999. The spin-off actually took place in early 1999. General Motors officials are anticipating a brighter future for Delphi after the spin-off. With a separation from General Motors, Delphi will be in a better position to do business with other companies. Currently, 38 percent of Delphi's customers are non-General Motors customers. Delphi is looking to boost the number to 50 percent by the year 2002. In addition to the spin-off, the plant workers at Delphi Chassis voted to approve an agreement that would keep the factory from being sold or closed. This agreement came after the company and the union spent months working to develop a competitive plant that will retain jobs and help assure the long-term future of the Kettering plant. City officials are optimistic about the changes at Delphi Chassis. It appears to be a win-win situation for the Miami Valley with the creation of another Fortune 500 company in the area.

The City's second largest employer is the Kettering Medical Center (KMC) employing about 2,500 people. During 1998, the hospital reduced its staff by about 300 primarily through attrition, retraining and severance packages. Three years ago, KMC and another Dayton area hospital, Grandview Hospital, formed the Alliance for Health of Southwest Ohio. During the past three years, the hospitals worked on developing and implementing several strategic plans. In early 1999, Grandview officials announced that a merger of the two hospitals would occur by the middle of 1999 as the next step in the affiliation process. Hospital officials said that the public can expect more coordinated care at all of the new hospital's facilities, improve access to KMC and Grandview under the expanded system and financially stronger institutions. Both KMC and Grandview are profitable institutions and officials believe that the combined hospitals will be even more profitable in future years through the efficiencies they project will result from the merger. This merger will follow the renovations that were completed at KMC in 1997. An investment in excess of \$25 million was made during a three year period to completely remodel and enlarge the surgical wing and to reorganize and expand outpatient services. It would appear that KMC is continuing to look to the future with an emphasis on meeting the changing needs of the healthcare industry and improving the effectiveness of all patient services.

Kettering's future economic outlook continues to look promising. The emphasis by the City through a number of different efforts on economic development both within Kettering and regionally is a high priority. The City's Economic Development Department is responsible for promoting Kettering as a good place to do business for new businesses as well as existing Kettering businesses. It seems that the business community agrees. Reynolds and Reynolds, a Fortune 1000 company based in Dayton since 1866, continued construction on a new facility in the Miami Valley Research Park to expand its presence in the region. The expansion would double the company's Dayton-area workforce over the next decade with 1,000 new employees over the next five years and 2,500 over the next decade. At Kettering Business Park, our former redeveloped military base, the National Composite Center (NCC) held the grand opening of its remodeled building. NCC is the emerging development center for composite technology, an industry whose promise seems limitless. A composite is basically a high-tech plastic that is a substitute for steel, concrete and other hard materials. The School of Advertising Arts elected to expand its presence in Kettering by purchasing half of the former Borden's Dairy site to build a brand new facility for its growing student population. The Borden's Dairy was purchased by the City and demolished using Community Development Block Grant funds resulting in another ten acres of business property that could easily be

developed by future companies wanting to locate in Kettering. Several other companies continued major construction projects including Dayton Reliable Tool, McAfee Heating and Air Conditioning, and Far Hills Surgical Center.

Similarly, Moraine's future economic outlook strengthened in 1998. The local economy remained stable in 1998. Income tax, the City's largest revenue source, increased by more than 4.0 percent in 1998, and overall revenues increased by over 12.2 percent. The majority of this increase came through increased income taxes, investment earnings, local taxes, and grants for economic development. Overall employment remained strong and stable. Some of the highlights for the year are described below:

General Motors Corporation completed an addition to the paint plant during 1998. The addition is approximately 64,050 square feet. Construction on a 750,000 square foot expansion to the General Motors Truck Plant began in 1998 to prepare for the production of the next generation of utility vehicles. ISUZU Motors and General Motors began construction of a 650,000 square foot diesel engine manufacturing and testing facility. The above projects mean that thousands of jobs will be retained in Moraine in addition to the new jobs created by the projects.

There were over 10 new businesses, which were added to Moraine during the year. In addition to new businesses, several of the existing businesses expanded during 1998.

During the year there were eight single-family home permits and one three-unit apartment permit issued. There were 257 building permits issued during the year with a total construction value of over \$50.8 million.

With the activity that is currently going on, the City continues to look forward to continued business and residential growth over the coming years.

EMPLOYEE RELATIONS

The Board employs 791.76 fulltime-equivalent (FTE) employees (including nonteaching personnel). Of the Board's current employees, 533.53 (FTE) are certificated by the Ohio Department of Education serving as classroom teachers, education specialists and administrators, all of whom have at least a bachelor's degree and 301 of whom hold advanced degrees. The starting salary for a teacher with a bachelor's degree for the period beginning September 1, 1998 was \$24,661. The maximum teacher salary in 1998-99 for a master's degree was \$56,228 with 30 years longevity.

All of the Board's 501 certificated teachers and educational specialists are members of the Kettering Education Association (the "KEA Association") which is a labor organization affiliated with the Ohio Education Association. The present contract between the Board and the Association became effective July 1, 1997 and expires May 30, 2000.

All of the Board's 258.23 (FTE) classified employees except the classified administrators (12) and exempted clerical staff (8) are members of the Ohio Association of Public School Employees ("OAPSE") which is a labor organization affiliated with the American Federation of State, County and Municipal Employees ("AFSCME"). The present contract between the Board and OAPSE became effective August 1, 1997 and expires July 31, 2000.

These agreements marked a continuation of the historical turn in labor relations between the District, KEA, and OAPSE. The collaborative interest-based bargaining approach that involves the exchange of ideas, concerns and mutual problem solving to improve the instruction of students and to address the needs of

the District in a cooperative manner was used and resulted in a second consecutive 3-year negotiated agreement with both employee bargaining groups.

MAJOR INITIATIVES

For the Year

By the end of the 1999-2000 school year, any school district in Ohio that received a "Continuous Improvement," "Academic Watch" or "Academic Emergency" rating on its state District Report Card will be expected to have developed a Continuous Improvement Plan – or CIP.

Armed with invaluable data gathered during a nearly seven-year time period, the Kettering City School District has developed an ambitious Continuous Improvement Plan that is designed to move the school system to the "Effective" category on the District Report Card within the next three years.

The following provided the data that served as the building blocks for the District's CIP:

- ◆ Volumes of information gathered during a districtwide Strategic Planning Process during 1991 and 1992.
- ◆ Information gathered from two extensive, person-to-person Community Surveys conducted over the past four years.
- ◆ Information gathered from two Teacher Surveys conducted over the past four years.
- ◆ Results from the state Proficiency Tests and from the Ohio Proficiency Based Assessments (also known as "Off-Grade" Proficiency Tests.)

"The Department of Education developed a state model CIP, and we will benefit both in our ability to communicate our goals and in securing funding through grants and other non-traditional means if we can integrate our CIP with the state model," says Frank Spolrich, Director of Human Resource Services for the district. "We have developed an ambitious set of goals for the district, and will be working very hard during the next three years to meet these goals."

Spolrich underscores the importance of the district's Strategic Planning Process in helping lay the groundwork for the development of Kettering's CIP. "The entire community put a lot of time and effort into the Strategic Planning Process back in 1992, and I believe that this teamwork was key to the successful implementation of so many of the objectives that were set forth in that plan," he says. "Once again, by using that process as a model, we will be able to work as a community toward achievement of the goals set forth in the CIP."

The eight goals of the Kettering City School District's Continuous Improvement Plan are:

- Goal I: Within three years, the District will be in the Effective Category of the State Report Card rating system by satisfying the current indicators and any others that may be added in the interim.
- Goal II. Within three years, the District will improve student performance on the State Proficiency Tests until 75 percent of students pass all subtests on the first spring administration of the 4th-, 6th- and 9th-grade tests; and 60 percent of 12th-graders on the 12th-grade test.

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- Goal III: Within three years 90 percent of students in the Kettering City School District will graduate with their cohorts.
 - Goal IV: Within two years, the District will integrate character education, diversity education, drug awareness education and responsible living habits into the total school environment to increase positive school climate, encourage appropriate behavior and increase attendance.
 - Goal V: Within two years, the District practices, structures and policies will support systemic improvement of teaching and learning.
 - Goal VI: Within three years, the District will have developed partnerships and linkages with community stakeholders to recreate our school as centers of community-wide learning where students, their family members, senior citizens, business and industry and all community members work together toward developing the assets of each individual and the community as a whole.
 - Goal VII: Within three years, the District will increase the use of existing and emerging electronic technologies to improve teaching and student performance and to provide universal community access to district curriculum, instruction and information.
 - Goal VIII: Within one year, the District will identify and implement a process to coordinate the identification and pursuit of all possible sources of educational funding, including non-conventional sources.

Now that the goals for the district's CIP are in place, the next step is to determine the strategies that will need to be developed in order to meet the goals.

"This plan will include specific strategies to help us meet our goals, and we will have regular, on-going reviews so that we can make changes, if needed, so that we have continuous improvement," says Spolrich.

For the Future

Achieving the goals set forth in the Kettering City School District's Continuous Improvement Plan will require collaborative effort on the part of teachers and administrators; parents and community members; and business and city leaders.

As we get ready to enter a new century, the District's CIP Committee -- headed up by Scott Spears, Assistant Superintendent; and Frank Spolrich, Director of Human Resource Services -- will begin meeting with building principals to discuss the eight district goals. Principals will then be responsible for developing building-level action plans that will lead to improvement at their individual schools and will contribute to the overall achievement of the district's CIP goals.

With the help of their Excellence Councils -- committees made up of administrators, teachers, parents, community members and students -- and with input from strategic committees, such as the District Drop-Out Reduction Committee, the District Curriculum Review Committee and the District Technology Committee -- each principal will answer the question: "What types of strategies at the building level will also fit into the district's strategies, and thereby lead to achievement of our district goals?": In answering this question, the *Excellence Councils* will foster building-level improvement and contribute to district-level achievement.

The district's Continuous Improvement Plan, then, is actually a process and will have to be approached as such in order to be successful:

Excellence Councils/Improvement Committees

- Building-Level Action Plans
- Building-Level Strategies
- District-Level Action Plans
- District-Level Strategies
- District Continuous Improvement Plan
- "Effective" Designation

The Kettering City School District is committed to continuous improvement and to achievement of the goals contained in the CIP over the next three years. With the involvement of members of committees, such as those noted above, and with the continued collaborative support of the city of Kettering's council and staff, this district looks to the new century with confidence in its ability to achieve the goals set forth in our Continuous Improvement Plan.

DEPARTMENTAL FOCUS

Human Resource Services

When approximately 85 percent of an organization's entire budget is used to pay for "people power," a well-run human resources department is not just important – it's imperative. In the Kettering City School District, that department comes under the responsibility of Frank Spolrich, Director of Human Resource Services.

Human Resources is anything but a static department. In fact, over the past decade, the responsibilities and scope of this department have changed dramatically – right down to a very recent name change to better reflect what this department does within the school district.

In the summer of 1999, the Kettering City School District renamed its Personnel Department as the Human Resource Services Department. Prior to 1999, the Personnel Department handled business related to certificated staff members only; the Business Services Department handled non-certificated staff. The reorganization of the business office in 1999 provided the perfect opportunity to make some changes in the personnel office, as well. With the reorganization, all business related to both certificated and non-certificated staff members was moved to the Human Resource Services Department.

"All hirings, firings, job postings, labor management meetings, grievances and negotiations for all employees in the Kettering City School District are now done through our office," says Spolrich. "With this shift in responsibility, we felt the name change to Human Resource Services better reflected what we do in this department."

The Human Resource Services Department is made up of the following staff members:

- A director
- A secretary
- A records specialist
- A substitute caller

Certainly, given its responsibility to educate close to 8,000 young people, the Kettering City School District works diligently to hire and retain the best teaching staff available. The Human Resource Services

Department plays an integral role in the hiring process for new teachers. However, a major change incorporated within the past 10 years is designed not only to bring in the best and brightest of teachers, but also to make the best possible match between a teacher and the needs of individual schools and students.

This change, in which the hiring and interviewing of potential new teachers has been decentralized, allows the principal at each building to play a key role in hiring staff. "The interviewing process can be individualized with this process," explains Spolrich. "In the past, the hiring of teachers would be done by the Personnel Department, with little input from principals. With the decentralization of this process, principals play a major part in selecting staff members that will work best in their buildings and with their students."

All postings and the initial screenings of potential new hires are still done in the Human Resource Services Department. However, once these initial steps have taken place, Spolrich will work closely with each individual principal to develop a hiring plan that is most effective for his or her building. In some cases, Spolrich said that principals may want him to sit in on interviews or even conduct the interview. Or he may be asked to make recommendations about the qualifications for a particular position or to help narrow down a field of qualified candidates. Whatever the case, Spolrich said the idea is to make sure the match between teacher and school is a good one.

In addition to hiring approximately 50 new teachers every year, the Human Resource Services Department keeps busy with:

- Managing 440 teacher contracts, 35 administrator contracts and 260 support staff contracts.
- Processing 585 supplemental contracts, an increase of close to 50 contracts in the past 10 years.
- Processing 92 different contracts for aides, a 30-percent increase in just the last five years, due in large part to the increased need for aides to provide services to students in special education.
- Overseeing the contract negotiations processes for the Kettering Education Association (KEA) and the Ohio Association for Public School Employees (OAPSE).
- Conducting six annual substitute training seminars.

The department also organizes and manages four key employee relations committees:

The Insurance Committee

- Comprised of teaching and support staff members, and representative board members and administrators.
- Established to provide a means for open discussion about insurance issues, levels of coverage, different insurance providers and cost maintenance.
- Represents all staff members in making recommendations to Board of Education regarding insurance coverage plans for the district's employees

The Local Professional Development Committee (LPDC)

- Comprised of teachers, administrators and representative board members.
- Provides licensure information and inservice opportunities to staff members.

Professional Communications Council (PCC)

- Comprised of KEA members, Human Resource Services director and representative board members.
- Provides opportunity for the KEA leadership to engage in regular discussion with members of the Board of Education.

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- Promotes continued communication between KEA and the board during the life of a contract.

Labor Relations Committee

- Comprised of members of OAPSE, support staff supervisors and Human Resource Services director.
- Provides opportunity for regular discussion regarding issues affecting support staff.

Looking toward the future.....

If there is one thing that will stay the same in the Human Resource Services Department it's the fact that the HR staff will have to constantly remain open to change.

One of his most important responsibilities, notes Spolrich, is to consistently recruit top-quality staff members. "We have to always be asking ourselves, 'How can we keep the best candidates coming to Kettering?' Our success as a District depends upon the success we have at recruiting, hiring and retaining the highest quality staff members out there, and in order to do this, we have to always maintain a competitive edge."

This commitment to excellence in staffing extends to the area of substitutes, as well. The need to provide teachers with continuing education opportunities that will translate into more effective practices in the classroom has exploded in the past decade. It stands to reason, then, that the need to for quality substitutes has grown, as well.

"The demand for substitutes, not just in Kettering, but in districts all across the state, has increased tremendously, and we're all competing for the best subs that we can find," says Spolrich. In order to have better trained subs available to the District, Spolrich's department began offering Substitute Training Seminars 2 years ago. These day-long seminars draw between 25 and 30 substitute candidates, and Spolrich sees the sessions as a necessity. "As our need for subs grows, there is a need to improve both the quality of people who are interested in subbing and the methods that we use for recruitment. We see these seminars as meeting both of these needs," he says.

As with nearly every area of business out there, another area of change in the Human Resource Services Department is in technology. "Technology continues to change how we do business in every area of an organization, and it will only become more prolific as time goes on. We have to keep up with technology and with how it can help us do our jobs more effectively," says Spolrich, adding, "We're seeing, for instance, more on-line recruitment and more people applying over the internet. We have to constantly watch for talented people to hire into our District, and if we miss an ideal candidate because we're not trained in the use of technology, it would be detrimental to the district.

FINANCIAL INFORMATION

The District's accounting system is organized on a "fund" basis. Each fund and account group is a distinct, self-balancing entity. Records for general governmental operations are maintained on a cash basis system of accounting as prescribed by the Auditor of State. Cash basis accounting differs from GAAP as promulgated by the Governmental Accounting Standards Board (GASB). GAAP, as more fully described in the notes to the financial statements, provides for a modified accrual basis of accounting for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Expendable and Non-Expendable Trust Funds and Agency Funds, and for full accrual basis of accounting for all other funds. The District began a conversion to GAAP for financial reporting with the 1992 fiscal year.

INTERNAL CONTROL

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

SINGLE AUDIT ACT

As a recipient of federal and state financial assistance, the District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the District.

The results of the District's single audit for the fiscal year ended June 30, 1999 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

BUDGETARY CONTROLS

The District maintains its accounts, appropriations and other financial records in accordance with the procedures established and prescribed by the Ohio Auditor of State. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the Board of Education. Activities of all funds are included in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by function and object of expenditure within an individual fund. This District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year end are carried forward to succeeding years and are not reappropriated. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

GOVERNMENTAL FUNDS

The following table presents the amount of revenues by source for the General Fund for the fiscal year ended June 30, 1999 and the percentage of increases and decreases in relation to prior year revenues.

Revenues	1999 Amount	Percent of Total	Increase (Decrease) From 1998	Percent of Increase (Decrease)
Taxes	\$37,044,947	75.85%	\$651,272	1.76%
Tuition and Fees	119,823	0.25%	76,149	63.55%
Transportation	246,005	0.50%	175,190	71.21%
Earnings on Investments	1,068,868	2.19%	12,324	1.15%
Intergovernmental	9,895,652	20.27%	1,000,355	10.11%

Extracurricular Activities	62,284	0.13%	568	0.91%
Classroom Materials & Fees	150,276	0.31%	(2,181)	-1.45%
Other Local Revenues	242,907	0.50%	(35,054)	-14.43%
Total Revenues	\$48,830,762	100.00%	\$1,878,623	3.85%

The 1.76% or \$651,272 increase in taxes was primarily due to an increase in personal property taxes from new developments and expansion of the General Motors Corporation production plants. The 63.55% or \$76,149 increase in tuition and fees was due to a new source from school foundation tuition line. The \$175,190 or 71.21% increase in transportation was a result of a refund from fiscal year 1998 costs and the final rate adjustment. The 10.11% or \$1,000,355 increase in intergovernmental was due to a new State Foundation formula for funding the public schools in Ohio.

The following table presents the amount of expenditures by function for the General Fund for the fiscal year ended June 30, 1999 and the percentage of increases and decreases in relation to prior year expenditures.

Expenditures	1999 Amount	Percent of Total	Increase (Decrease) From 1998	Percent of Increase (Decrease)
Instruction:				
Regular	\$21,988,091	47.35%	\$750,741	3.41%
Special	2,836,568	6.11%	199,767	7.04%
Vocational	1,475,343	3.18%	134,508	9.12%
Adult/Continuing	3,107	0.01%	2,354	75.76%
Other	1,397,920	3.01%	740,516	52.97%
Support Services:				
Pupils	3,339,089	7.19%	167,845	5.03%
Instructional Staff	1,799,145	3.87%	138,029	7.67%
Board of Education	64,039	0.14%	8,938	13.96%
Administration	3,462,423	7.46%	24,377	0.70%
Fiscal Services	990,188	2.13%	192,733	19.46%
Business	750,168	1.62%	200,788	26.77%
Operation and Maintenance of Plant				
Pupil Transportation	5,103,205	10.99%	70,883	1.39%
Central	1,691,214	3.64%	(115,906)	-6.85%
Non-Instructional Services	490,522	1.06%	(61,209)	-12.48%
Extracurricular Activities	1,827	0.00%	786	43.02%
Facilities Acquisitions and Construction	847,790	1.83%	46,998	5.54%
Debt Services	42,210	.09%	(13,342)	-31.61%
	150,183	0.32%	2,656	1.77%
Total Expenditures	\$46,433,032	100.00%	\$2,491,462	5.37%

The 5.37% increase in expenditures was due primarily to an increase in salaries of 3% in addition to the 1.5% increase required to finance annual salary step increments and salary increases for additional educational training. Also, the large increase of \$740,516 was due to the change in State funding which

now requires districts to pay tuition for special education students attending the County program from the *General Fund* rather than the State paying the County directly.

With General Fund revenue exceeding expenditures by \$2,397,730, the District remains in a stable financial position and is projected to remain so for the next three fiscal years.

Special Revenue Funds

Special Revenue Funds account for certain revenue sources restricted by law or other formal actions to be expended for a specific purpose. The sources are primarily grants and entitlements. All Special Revenue Funds on a combined basis operated with \$4,038,566 in revenues and \$4,060,614 in expenditures in fiscal year 1999.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the government is obligated in some manner for the payment. It is also used to account for the accumulation of resources and payment of general obligation notes payable, as required by Ohio Law. The Debt Service Fund ended the 1999 fiscal year with a balance of \$839,979.

Capital Projects Fund

The District's Capital Projects Funds are used to account for the purchase of equipment and the financing of major improvement projects. District Capital Projects Funds ended the 1999 fiscal year with a balance of \$1,026,931.

Trust and Agency Funds And Nonexpendable Trust

Trust and Agency Funds require a fiduciary relationship in their management by the District. The Trust Fund currently carried on the records of the District represents an expendable trust for memorial, scholarship, and other special purposes requested by individuals or groups of individuals, and a non-expendable trust for the Charles Craig Memorial. The Agency Fund utilized by the District is a Student Managed Activities Fund. Agency Fund liabilities totaled \$55,919 as of June 30, 1999 for the Student Managed Activities.

Enterprise Funds

The District's Enterprise Funds are Food Service, Uniform School Supplies, Rotary Special Services, and Adult School Education Funds. These funds are similar in nature to profit making activities found in the private sector and are managed accordingly. District Enterprise Funds operated in 1999 with \$1,599,301 in revenues and recorded a net income of \$32,903.

Internal Service Funds

The Internal Service Fund accounts for the District's Employee Benefits Self-Insurance which accounts for employee contributions for Section 125 Medical Reimbursement Benefits, and dental insurance which accounts for premiums received and the claims and administrative costs paid by the School District for employees. The Internal Service Fund showed a retained earnings of \$291,662.

Debt Administration

At June 30, 1999, the District had four general obligation bond issues outstanding. The first, issued in 1994, is a general obligation bond issue to provide funds for the purpose of expanding and renovating Fairmont High, Oakview Elementary and Prass Elementary Schools. The principal balance of this issue at June 30, 1999 was \$14,030,000. The second, issued in 1995, is a general obligation bond issued to provide funds for the purpose of purchasing a mainframe computer system for the District. The principal balance of this issue at June 30, 1999 was \$44,533. The third, issued in 1996, is a general obligation bond issued to provide funds for the purpose of purchasing computers for technology. the principal

balance of this issue at June 30, 1999 was \$317,745. The fourth, issued in fiscal year 1998, is a school energy conservation bond to provide funds for the purpose of energy efficient lighting, energy management system, and new boilers. The principal balance of this issue at June 30, 1999 was \$1,460,000. Under the current Ohio Revised Code, the District's general obligation bonded debt issuances are subject to an overall direct legal debt limitation of 9% of the total assessed value of real and personal property or \$112,247,235 and an unvoted debt limitation of .1% of the total assessed valuation or \$1,247,192 for the District.

Other debt includes Energy Conservation Notes of \$40,000 issued under the Energy Conservation Bond Limitation (Ohio Revised Code Section 133.042) of .9% of the total assessed value of real and personal property or \$11,224,724 for the District.

The District's current bond rating is A1.

Risk Management

The District maintains protection for its assets and employees through a comprehensive insurance program. Insurance policies for vehicle fleet liability, general liability, property loss and boiler and machinery coverage are purchased from the Indiana Insurance Company and the Royal Insurance Company through the Brower Insurance Agency, P.L.L. Employee health insurance is provided by Anthem Blue Cross/Blue Shield's Community Choice Plan and dental insurance is provided by a self-insured plan administered by CoreSource, a third party administrator. Additional information is presented in Note 7 to the General Purpose Financial Statements.

Cash Management

The District's cash management program addresses the issues of safety, liquidity and yield while maximizing returns. The District utilizes the State Treasury Asset Reserve of Ohio (STAR Ohio) program investment pool operated by the Treasurer of State, J. Kenneth Blackwell, for ready cash and yield. Certificates of Deposit, Treasury Notes, Bankers' Acceptances, Commercial Paper and Repurchase Agreements are utilized for both short and intermediate terms. Treasury notes and agency notes are utilized for longer term investments.

Interest earned for all Governmental and Fiduciary funds during the fiscal year was \$1,329,562 or approximately 2.3% of total revenues.

Independent Audit

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. The State Auditor performed the audit for the fiscal year ended June 30, 1999. The auditor's report on the District's general purpose financial statements, combining and individual fund statements and schedules, is included in the financial section of this Comprehensive Annual Financial Report.

Awards

The Government Finance Officers Association of the United State and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Kettering City School District for its comprehensive annual financial report for the fiscal year ended June 30, 1998. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program

standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Kettering City School District has received a Certificate of Achievement for the last four consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

The Association of School Business Officials of the United States and Canada awarded a Certificate of Excellence in Financial Reporting to The Kettering City School District for its comprehensive annual financial report for the fiscal year ended June 30, 1998. This award certifies that a Comprehensive Annual Financial Report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after an extensive review of the report by an expert panel of certified public accountants and practicing school business officials.

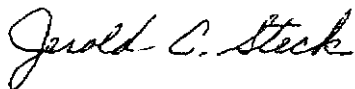
A Certificate of Excellence is valid for a period of one year only. The Kettering City School District has received a Certificate of Excellence for the last five consecutive years. We believe our current report continues to conform to the Certificate of Excellence program requirements, and we are submitting it to GFOA.

Acknowledgments

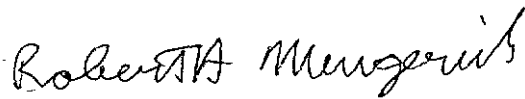
The preparation and publication of this third Comprehensive Annual Financial Report would not have been possible without the cooperation and support of the entire staff of the Treasurer's Office and the Business Services Department. Sincere appreciation is extended to Rosalinda G. Revels and B. Diane Pence for their exceptional individual efforts and dedication to this achievement. A special thanks to Dr. Paul C. Wotherspoon, Mr. Kenneth Lackey, and the Business Services staff; Community Relations Coordinator - Kari Harrell; Montgomery County Auditor's Office; Kettering City Finance Department; Moraine City Finance Department; and the State Auditor's Office for their special support.

Finally, this report would not have been possible without the leadership of the Board of Education, who approved the reorganization of the Treasurer's Office to include the position of Assistant Treasurer, and their commitment to excellence in financial accountability.

Sincerely,



Dr. Jerold C. Steck, Treasurer



Dr. Robert A. Mengerink, Superintendent

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Kettering-Moraine School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1998

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



Cary Brueck
President

Jeffrey L. Essler
Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to
KETTERING-MORAINÉ SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 1998

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

Glenn A. Henkin
President

Don F. Hagen
Executive Director

KETTERING CITY SCHOOL DISTRICT, OHIO
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 1999

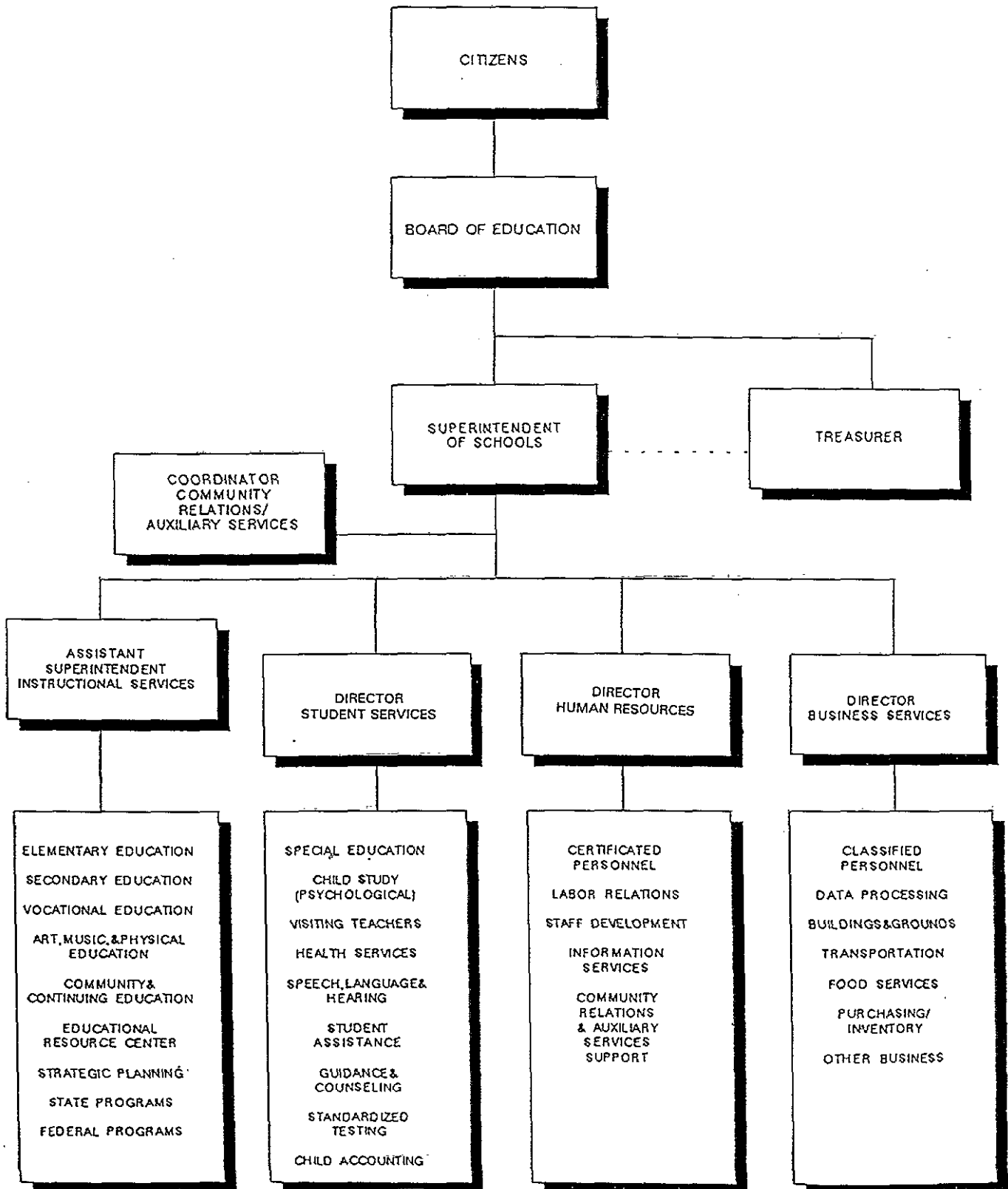
ELECTED OFFICIALS

PRESIDENT - BOARD OF EDUCATION	.....	MR. JAMES S. TRENT
VICE PRESIDENT - BOARD OF EDUCATION	.....	MRS. M. CHRISTINA MANCHESTER
BOARD MEMBER	.....	MR. MICHAEL J. HOWLEY
BOARD MEMBER	.....	MISS JULIE ANN GILMORE
BOARD MEMBER	.....	MRS. SALLY ROUSH BROWN

ADMINISTRATIVE OFFICIALS

SUPERINTENDENT	.....	DR. ROBERT A. MENERINK
TREASURER	.....	DR. JEROLD C. STECK
ASSISTANT SUPERINTENDENT - INSTRUCTION	.....	MR. SCOTT A. SPEARS
DIRECTOR - PUPIL SERVICES	.....	MR. WILLIAM J. LAUTAR
DIRECTOR - PERSONNEL SERVICES	.....	MR. FRANK SPOLRICH
DIRECTOR - BUSINESS SERVICES	.....	DR. PAUL C. WOTHERSPOON
SUPERVISOR - SPECIAL EDUCATION	.....	MRS. SUSAN D. NELSON

KETTERING CITY SCHOOL DISTRICT ORGANIZATIONAL CHART

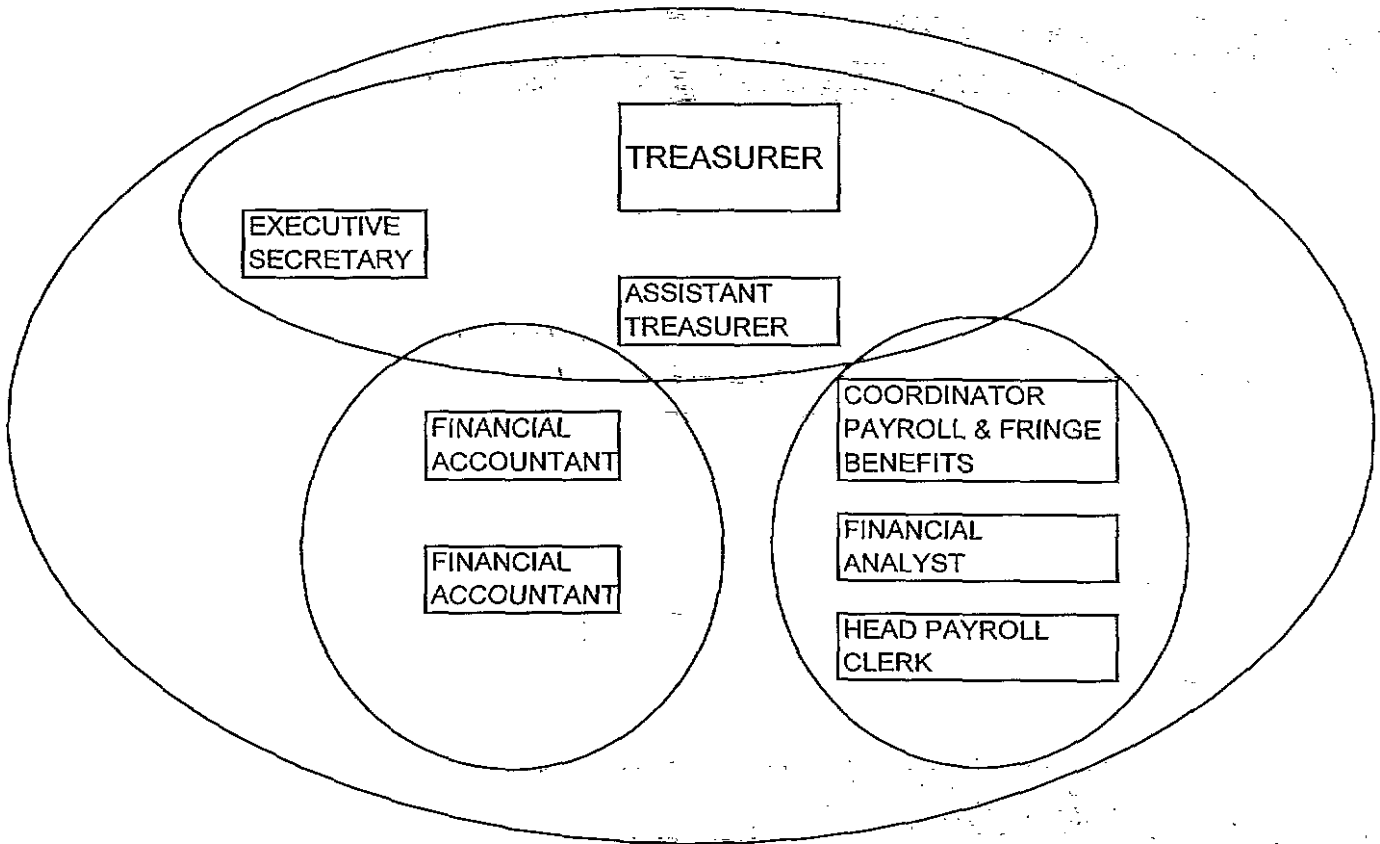


KETTERING CITY SCHOOL DISTRICT

OFFICE OF THE TREASURER

Jerold C. Steck, Ph.D.	Treasurer
Rosalinda G. Revels	Assistant Treasurer
Jill E. Lopez	Coordinator - Payroll & Fringe Benefits
Paula L. Calderone	Financial Analyst
B. Diane Pence	Executive Secretary
Denise Hargis	Financial Accountant
Robin Keogh	Financial Accountant
Sonia G. Dermis	Head Payroll Clerk

TEAM ORGANIZATION



FINANCIAL SECTION



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Kettering City School District
Montgomery County
3750 Far Hills Avenue
Kettering, Ohio 45429

To the Board of Education:

We have audited the accompanying general-purpose financial statements of the Kettering City School District, Montgomery County, (the District) as of and for the year ended June 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Kettering City School District, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund type and nonexpendable trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 1999 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the District, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Kettering City School District
Montgomery County
Report of Independent Accountants
Page 2

We did not audit the data included in the statistical section of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

December 17, 1999

GENERAL PURPOSE FINANCIAL STATEMENTS

The following general purpose financial statements, along with notes to general purpose financial statements, present an overview of the School District's financial position at June 30, 1999 and the results of operations and cash flows of its proprietary funds for the year then ended.

KETTERING CITY SCHOOL DISTRICT
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$1,633,292	\$1,464,288	\$807,368	\$1,080,210
Investment	13,438,715	0	0	0
Receivables:				
Taxes	36,949,618	0	1,021,244	678,869
Accounts	128,627	0	0	0
Accrued Interest	106,644	0	0	0
Intergovernmental	0	322,014	0	0
Interfund	289,000	0	0	0
Materials and Supplies Inventory	424,173	0	0	0
Inventory for Resale	0	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	577,400	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
Other Debits:				
Amount Available in Debt Service Fund	0	0	0	0
Amount to be Provided for Retirement of General Long-Term Debt	0	0	0	0
Total Assets and Other Debits	\$53,547,469	\$1,786,302	\$1,828,612	\$1,759,079
Liabilities, Equity and Other Credits				
Liabilities:				
Accounts Payable	588,522	244,082	0	74,970
Accrued Wages	4,782,984	214,245	0	0
Claims Payable	0	0	0	0
Compensated Absences Payable	0	0	0	0
Interfund Payable	0	302,101	0	0
Intergovernmental Payable	701,678	35,610	0	0
Deferred Revenue	35,970,551	0	988,633	657,178
Capital Leases	0	0	0	0
Notes Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Premiums on General Obligation Bonds	0	0	0	0
Total Liabilities	42,043,735	796,038	988,633	732,148
Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balances:				
Reserved for Encumbrances	397,174	367,962	0	376,154
Reserved for Debt Service	0	0	839,979	0
Reserved for Charles Graig Memorial	0	0	0	0
Reserved for Workers Compensation Rebate	202,400	0	0	0
Reserved for Budget	375,000	0	0	0
Reserved for Inventory	424,173	0	0	0
Reserved for Property Tax	979,067	0	0	21,691
Unreserved	9,125,920	622,302	0	629,086
Total Equity and Other Credits	11,503,734	990,264	839,979	1,026,931
Total Liabilities, Equity and Other Credits	\$53,547,469	\$1,786,302	\$1,828,612	\$1,759,079

See accompanying notes to the general purpose financial statements

Proprietary Fund Types		Fiduciary Fund Type	Account	Groups		Total (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt		
\$292,568	\$420,565	\$127,319	\$0	\$0		\$5,825,610
0	0	0				13,438,715
0	0	0	0	0		38,649,731
978	0	0	0	0		129,605
0	0	0	0	0		106,644
65,189	0	0	0	0		387,203
13,101	0	0	0	0		302,101
59,959	0	0	0	0		484,132
0	0	0	0	0		0
0	0	0	0	0		577,400
175,441	0	0	39,908,755	0		40,084,196
0	0	0	0	839,979		839,979
0	0	0	0	20,721,859		20,721,859
<u>\$607,236</u>	<u>\$420,565</u>	<u>\$127,319</u>	<u>\$39,908,755</u>	<u>\$21,561,838</u>		<u>\$121,547,175</u>

10,716	0	1,143	0	0		919,433
103,333	0	0	0	0		5,100,562
0	128,903	0	0	0		128,903
42,843	0	0	0	4,712,311		4,755,154
0	0	0	0	0		302,101
40,615	0	54,776	0	299,032		1,131,711
59,959	0	0	0	0		37,676,321
0	0	0	0	184,715		184,715
0	0	0	0	40,000		40,000
0	0	0	0	15,852,278		15,852,278
0	0	0	0	473,502		473,502
<u>257,466</u>	<u>128,903</u>	<u>55,919</u>	<u>0</u>	<u>21,561,838</u>		<u>66,564,630</u>
0	0	0	39,908,755	0		39,908,755
144,538	0	0	0	0		144,538
205,232	291,662	0	0	0		496,894
0	0	100	0	0		1,141,390
0	0	0	0	0		839,979
0	0	10,000	0	0		10,000
0	0	0	0	0		202,400
0	0	0	0	0		375,000
0	0	0	0	0		424,173
0	0	0	0	0		1,000,758
0	0	61,300	0	0		10,438,608
<u>349,770</u>	<u>291,662</u>	<u>71,400</u>	<u>39,908,755</u>	<u>0</u>		<u>54,982,495</u>
<u>\$607,236</u>	<u>\$420,565</u>	<u>\$127,319</u>	<u>\$39,908,755</u>	<u>\$21,561,838</u>		<u>\$121,547,175</u>

KETTERING CITY SCHOOL DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Governmental Fund Types		
	General	Special Revenue	Debt Service
Revenues:			
Taxes	\$37,044,947	\$0	\$973,700
Tuition and Fees	119,823	41,926	0
Transportation	246,005	0	0
Interest	1,068,868	29,429	156,049
Intergovernmental	9,895,652	3,299,774	0
Extracurricular Activities	62,284	512,565	0
Classroom Materials and Fees	150,276	47,722	0
Miscellaneous	242,907	99,150	0
Total Revenues	48,830,762	4,030,566	1,129,749
Expenditures:			
Current:			
Instruction:			
Regular	21,988,091	549,256	0
Special	2,836,568	457,871	0
Vocational	1,475,343	295,433	0
Adult/Continuing	3,107	33,503	0
Other	1,397,920	0	0
Support Services:			
Pupil	3,339,089	319,554	0
Instructional Staff	1,799,145	280,585	0
Board of Education	64,039	0	0
Administration	3,462,423	462,027	0
Fiscal Services	990,188	0	10,721
Business	750,168	18,593	0
Operation and Maintenance of Plant	5,103,205	19,255	0
Pupil Transportation	1,691,214	35,960	0
Central	490,522	38,177	0
Non-Instructional Services	1,827	1,147,834	0
Extracurricular Activities	847,790	402,566	0
Facilities Acquisitions and Constructions	42,210	0	0
Debt Service:			
Principal Retirement	135,250	0	610,865
Interest and Fiscal Charges	14,933	0	685,252
Total Expenditures	46,433,032	4,060,614	1,506,838
Excess of Revenues Over (Under) Expenditures	2,397,730	(30,048)	(377,089)
Other Financing Sources (Uses):			
Proceeds from Sale of Assets	3,284	0	0
Gain on Sale of Fixed Assets	0	0	0
Operating Transfers-In	0	8,000	453,982
Operating Transfers-Out	(501,982)	0	0
Total Other Financing Sources (Uses)	(498,698)	8,000	453,982
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	1,899,032	(22,048)	76,893
Fund Balances at Beginning of Year	9,582,387	1,012,312	763,086
Increase in Reserve for Inventory	22,315	0	0
Fund Balances at End of Year	\$11,503,734	\$990,264	\$639,979

See accompanying notes to the general purpose financial statements

Governmental Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
Capital Projects	Expendable Trust	
\$647,882	\$0	\$38,666,529
0	0	161,749
0	0	246,005
72,657	2,559	1,329,562
126,808	0	13,322,234
0	8,536	583,385
0	0	197,998
22,867	4,619	369,543
<u>870,214</u>	<u>15,714</u>	<u>54,877,005</u>
435,937	75	22,973,359
5,031	0	3,299,470
18,383	0	1,789,159
0	0	36,610
0	0	1,397,920
0	74	3,658,717
0	12,385	2,092,115
0	0	64,039
0	0	3,924,450
14,625	0	1,015,534
0	0	768,761
326,840	0	5,449,300
90,000	0	1,817,174
0	0	528,699
0	0	1,149,661
0	0	1,250,356
1,549,184	0	1,591,394
0	0	746,115
0	0	900,185
<u>2,440,000</u>	<u>12,534</u>	<u>54,453,018</u>
(1,569,786)	3,180	423,987
2,884	0	6,168
108,116	0	108,116
0	0	461,982
0	0	(501,982)
<u>111,000</u>	<u>0</u>	<u>74,284</u>
(1,458,786)	3,180	498,271
2,485,717	57,859	13,901,361
0	0	22,315
<u>\$1,026,931</u>	<u>\$61,039</u>	<u>\$14,421,947</u>

KETTERING CITY SCHOOL DISTRICT
 COMBINED STATEMENTS OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET
 (NON-GAAP BASIS) AND ACTUAL - ALL GOVERNMENTAL
 FUND TYPES AND EXPENDABLE TRUST FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	General Fund		
	Revised Budget	Actual	Over/Under
Revenues:			
Taxes	\$37,718,344	\$37,626,239	(\$92,105)
Tuition and Fees	39,844	118,023	78,179
Transportation	205,185	245,818	40,633
Interest	700,000	1,086,571	386,571
Intergovernmental	9,527,567	9,895,652	368,085
Extracurricular Activities	43,914	62,284	18,370
Classroom Materials and Fees	136,148	150,276	14,128
Other Local Revenues	49,425	127,250	77,825
Total Revenues	48,420,427	49,312,113	891,686
Expenditures:			
Current:			
Instruction:			
Regular	22,321,958	22,060,704	261,254
Special	2,834,566	2,834,566	0
Vocational	1,486,526	1,486,526	0
Adult/Continuing	1,960	1,960	0
Other Instruction	1,438,870	1,438,870	0
Support Services:			
Pupil	3,386,497	3,386,497	0
Instructional Staff	1,811,199	1,811,199	0
Board of Education	64,089	64,089	0
Administration	3,575,396	3,575,396	0
Fiscal Services	1,288,029	990,155	277,874
Business	810,565	810,565	0
Operation and Maintenance of Plant	5,249,949	5,249,949	0
Pupil Transportation	1,715,510	1,715,510	0
Central	718,896	718,896	0
Non-Instructional Services	1,908	1,908	0
Extracurricular Activities	840,735	840,735	0
Facilities Acquisitions and Constructions	49,384	49,384	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	47,576,037	47,036,909	539,128
Excess of Revenues Over (Under) Expenditures	844,390	2,275,204	1,430,814
Other Financing Sources (Uses):			
Proceeds from Sale of Fixed Assets	3,284	3,284	0
Gain on Sale of Fixed Assets	0	0	0
Operating Transfers-In	0	0	0
Advances - In	5,200	5,200	0
Refund of Prior Year's Receipts	0	0	0
Operating Transfers-Out	(501,982)	(501,982)	0
Advances - Out	(275,000)	(275,000)	0
Total Other Financing Sources (Uses)	(768,498)	(768,498)	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	75,892	1,506,706	1,430,814
Fund Balances at Beginning of Year	12,117,139	12,117,139	0
Prior Year Encumbrances Appropriated	1,039,870	1,039,870	0
Fund Balances at End of Year	\$13,232,901	\$14,663,715	\$1,430,814

See accompanying notes to the general purpose financial statements

Governmental Fund Types					
Special Revenue Funds			Debt Service Funds		
Revised Budget	Actual	Over/Under	Revised Budget	Actual	Over/Under
\$0	\$0	\$0	\$992,968	\$992,968	\$0
41,926	41,926	0	0	0	0
0	0	0	0	0	0
29,430	29,430	0	0	0	0
3,094,105	3,094,105	0	156,049	156,049	0
512,565	512,565	0	0	0	0
47,722	47,722	0	0	0	0
99,150	99,150	0	0	0	0
3,824,898	3,824,898	0	1,149,017	1,149,017	0
613,822	577,930	35,892	0	0	0
504,513	462,165	42,348	0	0	0
429,713	344,900	84,813	0	0	0
34,431	32,493	1,938	0	0	0
0	0	0	0	0	0
354,226	309,918	44,308	0	0	0
331,513	294,622	36,891	0	0	0
0	0	0	0	0	0
525,900	492,533	33,367	0	0	0
0	0	0	10,721	10,721	0
18,593	18,593	0	0	0	0
33,634	31,686	1,948	0	0	0
42,428	35,319	7,109	0	0	0
43,164	35,857	7,307	0	0	0
1,486,896	1,464,425	22,471	0	0	0
491,288	491,288	0	0	0	0
0	0	0	0	0	0
0	0	0	610,865	610,865	0
0	0	0	885,252	885,252	0
4,910,121	4,591,729	318,392	1,506,838	1,506,838	0
(1,085,223)	(766,831)	318,392	(357,821)	(357,821)	0
0	0	0	0	0	0
0	0	0	0	0	0
8,000	8,000	0	453,982	453,982	0
275,000	275,000	0	0	0	0
(247)	(247)	0	0	0	0
0	0	0	0	0	0
(5,200)	(5,200)	0	0	0	0
277,553	277,553	0	453,982	453,982	0
(807,670)	(489,278)	318,392	96,161	96,161	0
816,707	816,707	0	711,206	711,206	0
413,732	413,732	0	0	0	0
\$422,769	\$741,161	\$318,392	\$807,367	\$807,367	\$0

(Continued)

KETTERING CITY SCHOOL DISTRICT
 COMBINED STATEMENTS OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET
 (NON-GAAP BASIS) AND ACTUAL - ALL GOVERNMENTAL
 FUND TYPES AND EXPENDABLE TRUST FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999
 (Continued)

	Governmental Fund Types Capital Projects Funds		
	Revised Budget	Actual	Over/Under
Revenues:			
Taxes	\$660,777	\$660,777	\$0
Tuition and Fees	0	0	0
Transportation	0	0	0
Interest	54,274	54,274	0
Intergovernmental	145,191	145,191	0
Extracurricular Activities	0	0	0
Classroom Materials and Fees	0	0	0
Other Local Revenues	22,867	22,867	0
Total Revenues	883,109	883,109	0
Expenditures:			
Current:			
Instruction:			
Regular	435,937	435,937	0
Special	5,031	5,031	0
Vocational	18,383	18,383	0
Adult/Continuing	0	0	0
Other Instruction	0	0	0
Support Services:			
Pupil	0	0	0
Instructional Staff	0	0	0
Board of Education	0	0	0
Administration	0	0	0
Fiscal Services	14,625	14,625	0
Business	0	0	0
Operation and Maintenance of Plant	361,816	352,780	9,036
Pupil Transportation	90,000	90,000	0
Central	0	0	0
Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Facilities Acquisitions and Constructions	1,912,589	1,899,399	13,190
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	2,838,381	2,816,155	22,226
Excess of Revenues Over (Under) Expenditures	(1,955,272)	(1,933,046)	22,226
Other Financing Sources (Uses):			
Proceeds from Sale of Fixed Assets	2,884	2,884	0
Gain on Sale of Fixed Assets	108,116	108,116	0
Operating Transfers-In	0	0	0
Advances - In	0	0	0
Refund of Prior Year's Receipts	0	0	0
Operating Transfers-Out	0	0	0
Advances - Out	0	0	0
Total Other Financing Sources (Uses)	111,000	111,000	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,844,272)	(1,822,046)	22,226
Fund Balances at Beginning of Year	2,247,125	2,247,125	0
Prior Year Encumbrances Appropriated	204,005	204,005	0
Fund Balances at End of Year	\$606,858	\$629,084	\$22,226

See accompanying notes to the general purpose financial statements

Fiduciary Fund Types			Totals		
Expendable Trust Funds			(Memorandum Only)		
Revised Budget	Actual	Over/Under	Revised Budget	Actual	Over/Under
\$0	\$0	\$0	\$39,372,089	\$39,279,984	(\$92,105)
0	0	0	81,770	159,949	78,179
0	0	0	205,185	245,818	40,633
2,559	2,559	0	786,263	1,172,834	386,571
0	0	0	12,922,912	13,290,997	368,085
8,536	8,536	0	565,015	583,385	18,370
0	0	0	183,870	197,998	14,128
4,619	4,619	0	176,061	253,886	77,825
15,714	15,714	0	54,293,165	55,184,851	891,686
75	75	0	23,371,792	23,074,646	297,146
0	0	0	3,344,110	3,301,762	42,348
0	0	0	1,934,622	1,849,809	84,813
0	0	0	36,391	34,453	1,938
0	0	0	1,438,870	1,438,870	0
74	74	0	3,740,797	3,696,489	44,308
12,485	12,485	0	2,155,197	2,118,306	36,891
0	0	0	64,089	64,089	0
0	0	0	4,101,296	4,067,929	33,367
0	0	0	1,293,375	1,015,501	277,874
0	0	0	829,158	829,158	0
0	0	0	5,645,399	5,634,415	10,984
0	0	0	1,847,938	1,840,829	7,109
0	0	0	762,060	754,753	7,307
0	0	0	1,488,804	1,466,333	22,471
0	0	0	1,332,023	1,332,023	0
0	0	0	1,961,973	1,948,783	13,190
0	0	0	610,865	610,865	0
0	0	0	885,252	885,252	0
12,634	12,634	0	56,844,011	55,964,265	879,746
3,080	3,080	0	(2,550,846)	(779,414)	1,771,432
0	0	0	6,168	6,168	0
0	0	0	108,116	108,116	0
0	0	0	461,982	461,982	0
0	0	0	280,200	280,200	0
0	0	0	(247)	(247)	0
0	0	0	(501,982)	(501,982)	0
0	0	0	(280,200)	(280,200)	0
0	0	0	74,037	74,037	0
3,080	3,080	0	(2,476,809)	(705,377)	1,771,432
57,720	57,720	0	15,949,897	15,949,897	0
140	140	0	1,657,747	1,657,747	0
\$60,940	\$60,940	\$0	\$15,130,835	\$16,902,267	\$1,771,432

KETTERING CITY SCHOOL DISTRICT
 COMBINED STATEMENTS OF REVENUES,
 EXPENSES AND CHANGES IN FUND EQUITY
 ALL PROPRIETARY FUND TYPES AND
 NON-EXPENDABLE TRUST FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Proprietary Fund Types		Fiduciary Fund Types	Totals (Memorandum Only)
	Enterprise	Internal Service	Non- Expendable Trust	
Operating Revenues:				
Sales	\$1,348,779	\$0	\$0	\$1,348,779
Tuition and Fees	232,140	0	0	232,140
Charges for Services	9,057	585,211	0	594,268
Interest	0	0	528	528
Miscellaneous	9,325	0	0	9,325
Total Operating Revenues	1,599,301	585,211	528	2,185,040
Operating Expenses:				
Salaries	716,443	0	0	716,443
Fringe Benefits	285,180	106,011	0	391,191
Purchased Services	48,169	476,729	500	525,398
Supplies and Materials	101,240	0	0	101,240
Cost of Sales	866,009	0	0	866,009
Other Operating Expenses	20,673	0	0	20,673
Depreciation	28,834	0	0	28,834
Total Operating Expenses	2,066,548	582,740	500	2,649,788
Operating Income (Loss)	(467,247)	2,471	28	(464,748)
Non-Operating Revenues (Expenses):				
Federal Donated Commodities	73,365	0	0	73,365
Intergovernmental	423,384	0	0	423,384
Interest	6,520	15,971	0	22,491
Loss on Disposal of Fixed Assets	(3,119)	0	0	(3,119)
Total Non-Operating Revenues (Expenses):	500,150	15,971	0	516,121
Net Income (Loss) Before Operating Transfers	32,903	18,442	28	51,373
Operating Transfer From Other Funds:				
General Fund	40,000	0	0	40,000
Retained Earnings at Beginning of Year Restated (Note 3)	132,329	273,220	10,333	415,882
Retained Earnings at End of Year	205,232	291,662	10,361	507,255
Contributed Capital at Beginning of Year	144,538	0	0	144,538
Total Fund Equity at End of Year	\$349,770	\$291,662	\$10,361	\$651,793

See accompanying notes to the general purpose financial statements

KETTERING CITY SCHOOL DISTRICT
 COMBINED STATEMENTS OF REVENUES,
 EXPENSES AND CHANGES IN FUND EQUITY
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 ALL PROPRIETARY FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Enterprise Funds		
	Revised Budget	Actual	Over/Under
Revenues:			
Sales	\$1,348,779	\$1,348,779	\$0
Tuition and Fees	238,151	238,151	0
Charges for Services	0	0	0
Classroom Materials and Fees	14,931	14,931	0
Intergovernmental	408,362	408,362	0
Interest	6,520	6,520	0
Miscellaneous	11,622	11,622	0
Total Revenues	2,028,365	2,028,365	0
Expenses:			
Salaries and Wages	778,733	778,733	0
Fringe Benefits	289,576	289,576	0
Purchased Services	49,982	49,982	0
Supplies and Materials	904,959	904,959	0
Capital Outlay	19,226	19,226	0
Other Expenses	16,805	16,805	0
Total Expenses	2,059,281	2,059,281	0
Excess of Revenues Over (Under) Expenses	(30,916)	(30,916)	0
Non-Operating Revenues: Operating Transfers-In	40,000	40,000	0
Excess of Revenues and Operating Transfers-In	9,084	9,084	0
Fund Equity at Beginning of Year	244,574	244,574	0
Prior Year Encumbrances Appropriated	16,853	16,853	0
Fund Equity at End of Year	\$270,511	\$270,511	\$0

(Continued)

KETTERING CITY SCHOOL DISTRICT
 COMBINED STATEMENTS OF REVENUES,
 EXPENSES AND CHANGES IN FUND EQUITY
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 ALL PROPRIETARY FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999
 (Continued)

	Internal Service Funds			Totals (Memorandum Only)		
	Revised Budget	Actual	Over/Under	Revised Budget	Actual	Over/Under
Revenues:						
Sales	\$0	\$0	\$0	\$1,348,779	\$1,348,779	\$0
Tuition and Fees	0	0	0	238,151	238,151	0
Charges for Services	585,211	585,211	0	585,211	585,211	0
Classroom Materials and Fees	0	0	0	14,931	14,931	0
Classroom Materials and Fees	0	0	0	408,362	408,362	0
Interest	15,971	15,971	0	22,491	22,491	0
Miscellaneous	0	0	0	11,622	11,622	0
Total Revenues	601,182	601,182	0	2,629,547	2,629,547	0
Expenses:						
Salaries and Wages	0	0	0	778,733	778,733	0
Fringe Benefits	106,545	106,545	0	396,121	396,121	0
Purchased Services	486,702	486,702	0	536,684	536,684	0
Supplies and Materials	0	0	0	904,959	904,959	0
Capital Outlay	0	0	0	19,226	19,226	0
Other Expenses	0	0	0	16,805	16,805	0
Total Expenses	593,247	593,247	0	2,652,528	2,652,528	0
Excess of Revenues Over (Under) Expenses	7,935	7,935	0	(22,981)	(22,981)	0
Non-Operating Revenues:						
Operating Transfers-In	0	0	0	40,000	40,000	0
Excess of Revenues and Operating Transfers-In	7,935	7,935	0	17,019	17,019	0
Fund Equity at Beginning of Year	412,630	412,630	0	657,204	657,204	0
Prior Year Encumbrances Appropriated	0	0	0	16,853	16,853	0
Fund Equity at End of Year	\$420,565	\$420,565	\$0	\$691,076	\$691,076	\$0

See accompanying notes to the general purpose financial statements

KETTERING CITY SCHOOL DISTRICT
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES AND
 NON-EXPENDABLE TRUST FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Internal Service	Non- Expendable Trust	
Cash Flows from Operating Activities:				
Cash Received from Customers and Users	\$1,613,483	\$585,211	\$0	\$2,198,694
Cash Paid to Employees for Services and Benefits	(1,068,309)	0	0	(1,068,309)
Cash Paid to Suppliers for Goods and Services	(956,785)	0	(500)	(957,285)
Cash Payments for Claims	0	(593,247)	0	(593,247)
Net Cash Provided (Used) by Operating Activities	(411,611)	(8,036)	(500)	(420,147)
Cash Flows from Investing Activities:				
Earnings on Investments	6,520	15,971	528	23,019
Net Cash Provided by Investing Activities	6,520	15,971	528	23,019
Cash Flows from Noncapital Financing Activities:				
Operating Grants Received	408,362	0	0	408,362
Operating Transfer from General Fund	40,000	0	0	40,000
Net Cash Provided by Noncapital Financing Activities	448,362	0	0	448,362
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(12,132)	0	0	(12,132)
Net Cash Used for Capital and Related Financing Activities	(12,132)	0	0	(12,132)
Net Increase (Decrease) in Cash	31,139	7,935	28	39,102
Cash and Cash Equivalents at Beginning of Year	261,429	412,630	10,333	684,392
Cash and Cash Equivalents at End of Year	\$292,568	\$420,565	\$10,361	\$723,494

(Continued)

KETTERING CITY SCHOOL DISTRICT
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES AND
 NON-EXPENDABLE TRUST FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999
 (Continued)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Internal Service	Non- Expendable Trust	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	(\$467,247)	\$2,471	\$28	(\$464,748)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	28,834	0	0	28,834
Donated Commodities Used During the Year	73,365	0	0	73,365
Changes in Assets and Liabilities:				
Decrease in Accounts Receivable	11,884	0	0	11,884
Decrease in Interfund Receivable	2,298	0	0	2,298
(Increase) in Inventory Held for Resale	(7,779)	0	0	(7,779)
Increase in Accounts Payable	5,941	0	0	5,941
(Decrease) in Accrued Wages	(6,783)	0	0	(6,783)
(Decrease) in Intergovernmental Payable	(4,396)	0	0	(4,396)
(Decrease) in Compensated Absences	(55,507)	0	0	(55,507)
Increase in Deferred Revenue	7,779	0	0	7,779
Increase in Claims Payable	0	(10,507)	0	(10,507)
Interest Reported as Operating Income	0	0	(528)	(528)
Total Adjustments	55,636	(10,507)	(528)	44,601
Net Cash Provided by (Used for) Operating Activities	(411,611)	(8,036)	(500)	(420,147)

Reconciliation of Cash and Cash Equivalents in Non-Expendable Trust Fund to Balance Sheet:

Cash and Cash Equivalents - All Fiduciary Funds	\$127,319
Cash and Cash Equivalents - Expendable Trust and Agency Funds	(116,958)
Cash and Cash Equivalents - Non-Expendable Trust Fund	<u>\$10,361</u>

Non-cash Investing, Capital and Financing Activities:

During the year the Food Service Enterprise Fund used materials and supplies inventory valued at \$73,365. This inventory was donated to the District and no cash payments were made to acquire the inventory. An expense for this usage was included in the Operating Loss of the fund and therefore, Donated Commodities must be recognized as an adjustment to reconcile to Net Cash Used for Operating Activities.

See accompanying notes to the general purpose financial statements

KETTERING CITY SCHOOL DISTRICT - KETTERING, OHIO
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

1. DESCRIPTION OF THE DISTRICT

The Kettering City School District (District) was originally chartered in 1841 by the Ohio State Legislature. In 1853 State laws were enacted to create local Boards of Education. Today, the District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code.

The District operates under a locally elected five member Board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. This Board controls the District's instructional and support facilities staffed by 258.23 (FTE) classified personnel and 533.53 (FTE) certificated teaching and administrative personnel to provide services to students and other community members.

In terms of enrollment the District is the 28th largest in the State of Ohio (among 611 districts) and the second largest in Montgomery County. It currently operates 9 elementary schools, 2 middle schools (grades 6-8), and one comprehensive high school (grades 9-12).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the 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 District's significant accounting policies are described below.

A. The Reporting Entity

For financial reporting purposes the District's financial statements include all funds and account groups for which the District is financially accountable based upon criteria set forth in GASB Statement 14. The District has no component units. Generally, component units are legally separate organizations for which the elected officials of the primary government (i.e. the District) are financially accountable. The District would consider an organization to be a component unit if:

1. The District appoints a voting majority of the organization's governing body AND (a) is able to impose its will on that organization OR (b) there is a potential for the organization to provide specific financial burdens on the District; OR
2. The organization is fiscally dependent upon the District; OR
3. The nature of the relationship between the District and the organization is such that the exclusion from the financial reporting entity would render the financial statements of the District misleading.

KETTERING CITY SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (continued)

B. Basis of Presentation - Fund Accounting

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net expendable available resources.

For financial statement presentation purposes, the various funds of the District are grouped into the following generic fund types under the broad fund categories governmental, proprietary and fiduciary.

Governmental Fund Types:

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds and trust funds) are accounted for through governmental funds. The following are the District's governmental fund types:

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

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

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs; and for the payment of interest on general obligation notes payable as required by Ohio law.

Capital Projects Fund - The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds).

Proprietary Fund Types:

Proprietary funds are used to account for the District's ongoing activities which are similar to those found in the private sector. The following is the District's proprietary fund types:

KETTERING CITY SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (continued)

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds - These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments on a cost-reimbursement basis.

Fiduciary Fund Types:

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

Expendable Trust Funds - The expendable trust funds are accounted for in essentially the same manner as governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both principal and interest may be spent.

Nonexpendable Trust Funds - The nonexpendable trust funds are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. Nonexpendable trust funds account for assets of which the principal may not be spent.

Agency Funds - The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups:

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the District, other than those accounted for in the Proprietary or Trust Funds.

General Long-Term Debt Account Group - This account group is established to account for all long-term obligations of the District except those accounted for in the Proprietary or Trust Funds.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Fund Types and Expendable Trust Funds are accounted for using a flow of

KETTERING CITY SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (continued)

current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The reported fund balances are considered a measure of available spendable resources.

Proprietary Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary Funds operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the Governmental, Expendable Trust and Agency Funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the District is sixty days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes, investment earnings, tuition, grants and entitlements, and student fees.

The District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 1999 and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2000 operations, have been recorded as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year, and the costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees.

The accrual basis of accounting is utilized for reporting purposes by the Proprietary Funds. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. There were no unbilled service charges receivable at year end. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

KETTERING CITY SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (continued)

D. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each function. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Tax Budget

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain comments from taxpayers. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Montgomery County Budget Commission for rate determination.

Estimated Resources

Prior to March 15, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered cash balances from the preceding year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts in the final Amended Certificate issued during fiscal year 1999.

Appropriations

Upon receipt from the County Auditor of an Amended Certificate of Estimated Resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary and between July 1 and October 1, the annual appropriation resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education. The Board may

KETTERING CITY SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (continued)

pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, including the Debt Service Fund, consistent with statutory provisions.

Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year end are reported as a reservation of fund balance for subsequent-year expenditures for Governmental Funds and reported in the notes to the financial statements for Proprietary Funds.

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

Budgetary Basis of Accounting

While the District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual, All Governmental Fund Types and Expendable Trust Fund and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual, and Proprietary Fund Types are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund types (GAAP basis).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

KETTERING CITY SCHOOL DISTRICT
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (continued)

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type.

Excess of Revenues and Other Financing Sources
 Over (Under) Expenditures and Other Financing Uses

Governmental Fund Types and Expendable Trust Fund

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP Basis	\$1,899,032	(\$22,048)	\$76,893	(\$1,458,786)	\$3,180
Net Adjustment for Revenue Accruals	481,351	(205,668)	19,268	12,895	0
Net Adjustment for Expenditure Accruals	381,819	191,756	0	74,969	0
Net Adjustment for Advances	(269,800)	269,800	0	0	0
Adjustment for Encumbrances	(985,696)	(723,118)	0	(451,124)	(100)
Budget Basis	\$1,506,706	(\$489,278)	\$96,161	(\$1,822,046)	\$3,080

Net Income/Excess of Revenues Over (Under) Expenses

Proprietary Fund Types

	Enterprise	Internal Service
GAAP Basis	\$32,903	\$18,442
Net Adjustment for Revenue Accruals	(840)	0
Net Adjustments for Expenses Accruals	489	0
Commodities Used	(73,365)	(10,507)
Depreciation Expense	28,834	0
Net adjustments for transfers	40,000	0
Loss on Disposal of Fixed Assets	3,119	0
Adjustment for Encumbrances	(22,056)	0
Budget Basis	\$9,084	\$ 7,935

KETTERING CITY SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (continued)

E. Cash and Cash Equivalents and Investments

For the purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents. During the fiscal year all investments of the District had a maturity of two years or less. Investments are stated at fair value.

During the fiscal year the District invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 1999.

F. Inventory

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

G. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of five hundred dollars.

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. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture, equipment, and vehicles in the proprietary fund types is computed using the straight-line method over an estimated useful life of five years for furniture and ten years for equipment and vehicles.

H. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis and entitlements, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are

KETTERING CITY SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (continued)

incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

The District currently participates in State and Federal programs categorized as follows:

Entitlements

General Fund

State Foundation Program
Homestead and Rollback
10% Tangible Personal Property Tax Exemption

Non-Reimbursable Grants

Special Revenue Funds

TOYS
Venture Capital
Auxiliary Services
Career Development
Post Secondary Vocational Education
Local Professional Development
Education Management Information Systems
Public School Preschool
Instructional Materials Subsidy
Parent Mentor Program
Horn Grant
Adult Basic Education
EESA - Title II
EESA - Title VI-B
Carl D. Perkins Vocational Education
Title I
Even Start Program
Family Literacy
Title VI Innovation
Drug Free School Grant
Systemic Grant
Other Federal Grants

Reimbursable Grants

General Fund

School Bus Purchase Reimbursement
Driver Education Reimbursement
Vocational Education Travel/Salary

Capital Projects Fund

Vocational Education Equipment
SchoolNet Plus
SchoolNet

Proprietary Funds

National School Lunch Program
Government Donated Commodities

KETTERING CITY SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (continued)

Grants and entitlements amounted to approximately twenty-four and three tenths percent of the District's operating revenue during the 1999 fiscal year.

I. Short-Term Interfund Assets/Liabilities

Short-term interfund loans are classified as interfund payables/receivables.

J. Interfund Transactions

Reimbursements are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

K. Compensated Absences

The District accounts for compensated absences in accordance with GASB Statement No. 16 which requires that compensated absences be accrued as they are earned by employees if both of the following conditions are met:

1. The employee's rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employee for the benefits through paid time off or cash payment.

For Governmental Funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the respective Governmental Fund. Amounts that are not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Debt Account Group. Compensated absences of Proprietary Funds are recorded as an expense and liability of the respective proprietary fund. Salary related payments are included, if material.

L. Long-Term Debt

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from Proprietary Fund operations are accounted for in those funds.

M. Fund Balance Reserves

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available spendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for property taxes, debt

KETTERING CITY SCHOOL DISTRICT
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (continued)

services, Charles Craig Memorial, encumbrances, inventories of supplies and materials, workers compensation rebate, and Ohio House Bill 412 budget reserves, which are presented as restricted assets on the balance sheet.

N. Total Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

O. Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting

In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," the District applies all GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The District has elected not to apply Financial Accounting Standards Board Statements and Interpretations issued after November 30, 1989 to its proprietary activities.

3. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT OF FUND EQUITY

A restatement was done in the Food Service Enterprise funds for the accumulated depreciation that was understated in fiscal year 1998. The result of this change is as follows:

	Enterprise Funds
Net (loss) as previously reported	(\$24,735)
Restatement of depreciation expense	(51,667)
Retained net (loss)	<u>\$76,402</u>
Retained Earnings as of June 30, 1998	\$183,996
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	<u>(51,667)</u>
Restatement of Fund Equity as of June 30, 1998	<u>\$132,329</u>

4. DEPOSITS AND INVESTMENTS

State statutes require the classification of monies held by the District into three categories.

Category 1 consists of "active" monies, those monies required to be kept in a "cash" or "near-cash" status for immediate use by the District. Such monies must be maintained either as cash in the District

KETTERING CITY SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (continued)

Treasury, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Category 2 consists of "inactive" monies, those monies not required for use within the current two year period of designation of depositories. Inactive monies may be deposited or invested as certificates of deposit maturing not later than the end of the current period of designation of depositories, or as savings or deposit accounts including, but not limited to, passbook accounts.

Category 3 consists of "interim" monies, those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim monies may be invested or deposited in the following securities:

1. Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency.
3. Repurchase agreements in the securities enumerated above.
4. Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including, but not limited to, passbook accounts.
5. Bonds and other obligations of the State of Ohio.
6. The State Treasurer's investment pool (STAR Ohio).
7. Certain highly rated bankers' acceptances and commercial paper notes in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time.

Protection of District cash and investments is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 110 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

The following information categorizes deposits and investments as defined in GASB Statement 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements."

Deposits: At year-end, the carrying amount of the District's deposit was (\$295,531) and the bank balance was \$663,388. Of the bank balance, \$310,157 was covered by the federal depository insurance. The remaining bank balance was covered by collateral held by the pledging financial institution or its trust department or agent but not in the District's name. The remaining amounts were uninsured and uncollateralized as defined by GASB Statement 3.

Investments: The District's investments are categorized below to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered or for

KETTERING CITY SCHOOL DISTRICT
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (continued)

which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the District's name. The District's investment in Star Ohio is not categorized because it is not evidenced by securities that exist in physical or book entry form.

At year end, the District's investment balances were as follows:

	Category 1	Category 3	Carrying Value	Fair Value
U. S.				
Government Securities	\$13,438,715	\$0	\$13,438,715	\$13,451,907
Repurchase Agreements	0	902,450	902,450	902,450
Star Ohio	0	0	5,796,091	5,796,091
Total	\$13,438,715	\$902,450	\$20,137,256	\$20,150,448

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9.

A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/ Deposits	Investments
GASB Statement 9	\$ 6,403,010	\$13,438,715
Investments:		
Repurchase Agreements	(902,450)	902,450
Investment in State Treasury Pool	(5,796,091)	5,796,091
GASB Statement 3	\$ (295,531)	\$ 20,137,256

5. PROPERTY TAXES

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

KETTERING CITY SCHOOL DISTRICT
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (continued)

value. All property is required to be revalued every six years with a statistical update every third year following each full reappraisal. Public utility property taxes are assessed on tangible personal property at 100 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20. Under certain circumstances, state statute permits earlier or later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The District receives property taxes from Montgomery County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 1999 are available to finance fiscal year 1999 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

The assessed values upon which the fiscal year 1999 taxes were collected are:

<u>Assessed Valuation Class</u>	1998 Second-Half Collections		1999 First-Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$962,071,210	80.6%	\$978,807,480	78.5%
Public Utility Personal	78,310,660	6.6%	82,582,490	6.6%
Tangible Personal Property	152,139,878	12.8%	185,801,525	14.9%
Total Assessed Value	<u>\$1,192,521,748</u>	100.0%	<u>\$1,247,191,495</u>	100.0%
	=====		=====	
Tax rate (Full) per \$1,000 of assessed valuation		\$53.10		\$53.10
Tax Rate (Adjusted for H.B.920 Tax Reduction Factors) per \$1,000 of assessed real property valuation				
Residential/Agricultural		\$28.569		\$28.519
Commercial/Industrial		\$34.425		\$34.15

6. RECEIVABLES

Receivables at June 30, 1999 consisted of interest, taxes, accounts receivables, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for

KETTERING CITY SCHOOL DISTRICT
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (continued)

the nonpayment of taxes, the stable condition of State Programs, and the current year guarantee of Federal Funds. A summary of the principal items of receivables follows:

	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Totals
Receivables:						
Taxes	\$36,949,618	\$0	\$1,021,244	\$678,869	\$0	\$38,649,731
Interest	106,644	0	0	0	0	106,644
Accounts	128,627	0	0	0	978	129,605
Intergovernmental	0	322,014	0	0	65,189	387,203
Total Receivables	\$37,184,889	\$322,014	\$1,021,244	\$678,869	\$66,167	\$39,273,183

7. FIXED ASSETS

A summary of the enterprise funds' fixed assets at June 30, 1999 follows:

Furniture and Equipment	\$381,070
Less accumulated depreciation	205,629
Net Fixed Assets	\$ 175,441

A summary of the changes in general fixed assets during fiscal year 1999 follows:

	Balance July 1	Additions	Deletions	Balance June 30
Buildings and land	\$32,047,694	\$0	\$2,884	\$32,044,810
Furniture and equipment	5,072,340	510,887	504,433	5,078,794
Vehicles	2,751,904	127,197	93,950	2,785,151
	\$39,871,938	\$638,084	\$601,267	\$39,908,755

8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 1999, the District contracted with Indiana Insurance Company through Brower Insurance Agency for general liability

KETTERING CITY SCHOOL DISTRICT
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (continued)

insurance with a \$1,000,000 per occurrence limit and a \$2,000,000 aggregate. Property is protected by Indiana Insurance Company through Brower Insurance Agency and holds a \$1,000 occurrence deductible.

The District's vehicles are insured under a policy by Indiana Insurance through Brower Insurance Agency which carries a \$500 deductible and a \$1,000,000 combined single limit on any accident.

The District has earthquake (\$50,000,000 limit) and flood (\$3,000,000 limit) insurance with Royal Insurance Company through Brower Insurance Agency.

The District has a \$10,000,000 limit umbrella policy with no retention with Indiana Insurance Company through Brower Insurance Agency.

Settlement of claims have not exceeded insurance coverage during the last three years. Also, there have been no significant reductions in insurance coverage during the fiscal year.

The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The District provides life insurance and accidental death and dismemberment insurance to most employees through Anthem Life Insurance Company. The District has elected to provide employee medical/surgical benefits through Anthem Blue Cross/Blue Shield's Community Choice Plan.

The District is self-insured for employee dental care benefits. The program is administered by CoreSource, which provides claims review and processing services. The self-insurance program is accounted for as an Internal Service Fund. The District has recorded a liability for incurred but not reported claims at year end based on an actuarial estimate by CoreSource.

The District is self-insured for liabilities arising in connection with the Employee Benefits Self-Insurance Program. This self-insurance program is also accounted for as an Internal Service Fund. The District records liabilities for the Employee Self-Insurance Fund for incurred but not reported claims.

	Employee Benefits <u>Self - Insurance</u>		<u>Dental Insurance</u>	
	June 30, 1998	June 30, 1999	June 30, 1998	June 30, 1999
Beginning Claims Payable	\$18,341	\$16,615	\$122,053	\$122,795
Claims Incurred	100,305	106,011	487,880	476,729
Claims Paid	(102,031)	(106,545)	(487,138)	(486,702)
Ending Claims Payable	<u>\$16,615</u>	<u>\$16,081</u>	<u>\$122,795</u>	<u>\$112,822</u>

9. DEFINED BENEFIT PENSION PLAN

All District employees are covered by the statewide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS). District employees hired after April 1, 1986 are

KETTERING CITY SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (continued)

also currently covered under the Federal Social Security Act for the Medicare portion only. The District's employer contributions to both systems are based on a percentage of employees salaries. State law requires the District to pay the employer share as determined by each Retirement System.

A. School Employees Retirement System

The Kettering City School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9% of their annual covered salary and the Kettering City School District is required to contribute 14%; 9.02% was the portion to fund pension obligations. The contribution rates are not determined actuarially, but are established by SERS's Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The District's contributions to SERS for the years ending June 30, 1999, 1998, and 1997, were \$965,340, \$954,120, and \$948,708 respectively; 50.0% percent has been contributed for fiscal year 1999 and 100 percent for the fiscal years 1998 and 1997; \$482,670 representing the unpaid contribution for fiscal year 1999 is recorded as a liability within the respective funds and the general long-term debt account group.

B. State Teachers Retirement System

The Kettering City School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3% of their annual covered salary and the Kettering City School District is required to contribute 14%; 6.0% was the portion to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's contributions to STRS for the years ending June 30, 1999, 1998, and 1997 were \$3,567,072, \$3,509,870, and \$3,458,462 respectively; 83.3% has been contributed for fiscal year 1999 and 100% for the fiscal years 1998 and 1997; \$594,512 representing the unpaid contribution for fiscal year 1999 is recorded as a liability within the respective funds.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose social security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 1999 two of the board of education members have elected social security. The Board's liability is 6.2 percent of wages paid.

KETTERING CITY SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (continued)

10. POSTEMPLOYMENT BENEFITS

For the State Teachers Retirement System, no premiums are currently paid by retirees or primary benefit recipients; however, monthly payments are required for covered spouses and other dependents. Benefits are funded on a pay-as-you-go basis through an allocation of employer contributions to the System equal to eight percent of covered payroll, an increase from 3.5% for fiscal year 1998 and 2.0% for fiscal year 1997. For the District, the amount equaled \$2,038,327 for the 1999 fiscal year. As of July 1, 1999 (the latest information available), eligible benefit recipients totaled 91,999 for the System as a whole.

For the School Employees Retirement System, all retirees with a retirement date prior to July 1, 1986, are eligible to receive benefits. Retirees with a retirement date on or after July 1, 1986, must have ten years of service credit to be eligible to receive benefits. Retirees with retirement dates on or after July 1, 1989, who have ten to twenty-five years of service credit must pay a portion of their own coverage. Retirees with a retirement date prior to July 1, 1989, and retirees with a retirement date on or after July 1, 1989 with more than twenty-five years of service credit, do not pay a premium. Premium payments are required for all covered spouses and dependents. For this fiscal year, employer contributions to fund health care benefits were 4.98 percent of covered payroll, an increase from 4.21 per cent for fiscal year 1998. For the District, this amount equaled \$343,385 during the 1999 fiscal year. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, prorated for partial service credit. For the fiscal year 1999, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

As of June 30, 1999 (the latest information available), the number of retirees and covered dependents currently receiving benefits is approximately 50,000. Actuarial contribution requirements are determined for the SERS as a whole, not for individual employers. Net assets available for payment of benefits at June 30, 1998 (the latest information available) was \$160.3 million for the System as a whole.

11. CAPITALIZED LEASE - LESSEE DISCLOSURE

The District has entered into capitalized leases. The term of the agreement provides options to purchase the equipment for technology. This lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service in the Combined Financial Statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

General fixed assets acquired by lease have been capitalized in the general fixed assets account group in an amount equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in fiscal year 1999 totalled \$135,250.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 1999:

KETTERING CITY SCHOOL DISTRICT
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (continued)

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Long-Term</u> <u>Debt</u>
2000	151,423
2001	92,261
	<hr/>
Total Minimum Lease Payments	\$243,684
Less: Amount representing Interest	(58,969)
	<hr/>
Present Value of Minimum Lease Payments	<u>\$184,715</u>

12. LONG TERM DEBT

Changes in Long-Term Liabilities. During the fiscal year ended June 30, 1999, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance July 1	Additions	Reductions	Balance June 30
Energy Conservation Notes 1992 5.39%	\$55,000	\$0	\$15,000	\$40,000
Compensated Absences	5,185,759	60,334	533,782	4,712,311
Capital Leases	319,965	0	135,250	184,715
General Obligation Debt School Employees Retirement System	16,917,558	0	591,778	16,325,780
	293,008	299,032	293,008	299,032
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 22,771,290	\$359,366	\$1,568,818	\$21,561,838
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The District's voted legal debt margin was \$ 99,057,214 with an unvoted debt margin of \$884,914 as of June 30, 1999.

On June 1, 1992, Kettering City School District issued \$117,000 in unvoted general obligation notes for the purpose of providing energy conservation measures for the District, under the authority of Ohio Revised Code Sections 133.06(G) and 3313.372. The notes were issued for ten fiscal year periods with final maturity during fiscal year 2002.

General obligation energy notes will be paid from the Debt Service Fund. Compensated absences will be paid from the fund from which the person is paid.

Principal and interest requirements to retire the general obligation energy notes outstanding at June 30, 1999 are as follows:

KETTERING CITY SCHOOL DISTRICT
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (continued)

Fiscal Year Ending June 30	Principal	Interest	Total
2000	\$10,000	\$2,322	\$12,322
2001	15,000	1,763	16,763
2002	15,000	893	15,893
Totals	<u>\$40,000</u>	<u>\$4,978</u>	<u>\$44,978</u>

General Obligation Bonds. The District issued general obligation bonds to provide funds for the purpose of expanding and renovating Fairmont High, Oakview Elementary and Prass Elementary Schools. Also, the District issued general obligation bonds to provide funds for the purpose of purchasing a mainframe computer system and general obligation bonds for school improvement to provide funds for the purpose of purchasing computers for technology. In fiscal year 1998, the District issued school energy conservation bonds to provide funds for the purpose of energy efficient lighting, energy management system, and new boilers.

General obligation bonds are direct obligations and pledge the full faith and credit of the District. Bonds for expanding and renovating are issued as 30-year serial bonds. The bonds for the mainframe system, and for school improvement are issued as 5-year serial bonds. The school energy conservation bonds are issued as 10-year serial bonds. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rate	Amount
Capital Projects	3.05-5.30%	\$ 13,705,000
Mainframe Computer	4.50%	\$44,533
School Improvement	4.90%	\$317,745
School Energy Conservation	4.70-4.90%	\$1,460,000

Annual debt service requirements to maturity for general obligation bonds, including interest of \$11,017,026 as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2000	612,038	856,056	1,468,094
2001	520,240	828,768	1,349,008
2002	410,000	808,239	1,218,239
2003	425,000	789,062	1,214,062
2004	445,000	768,842	1,213,842
Thereafter	13,115,000	6,966,059	20,081,059
Totals	<u>\$15,527,278</u>	<u>\$11,017,026</u>	<u>\$26,544,304</u>

KETTERING CITY SCHOOL DISTRICT
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (continued)

Super-premium debt. The District also issued super-premium debt where the District pledged income derived from a debt issuance significantly in excess of the face value of the debt as follows:

Original Principal	Dollar Price/Bond	Reoffering Price	Interest Rate	Net Premium
\$ 325,000	\$ 245.69	\$ 798,502	21.625%	\$ 473,502

Super-premium debt requirements to maturity, including \$473,502 of interest are as follows:

Fiscal Year Ending June 30	Amount
2006	\$ 798,502

13. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The School District maintains four Enterprise Funds to account for the operations of Food Service, Uniform School Supplies, Rotary Special Service, and Adult School. The table below reflects a summary of the most significant financial data relating to the Enterprise Funds of the Kettering City School District for the fiscal year ended June 30, 1999.

	Food Service	Uniform School Supplies	Rotary Special Services	Adult School	Totals
Operating Revenues	\$1,257,138	\$72,548	\$29,214	\$240,401	\$1,599,301
Operating Expenses					
Before Depreciation	1,661,103	71,277	22,113	283,221	2,037,714
Depreciation	22,852	0	0	5,982	28,834
Operating (Loss)	(426,817)	1,271	7,101	(48,802)	(467,247)
Donated Commodities	73,365	0	0	0	73,365
Operating Grants	413,774	0	0	9,610	423,384
Interest	6,516	0	0	4	6,520
Loss on Disposal of Fixed Assets	(272)	0	0	(2,847)	(3,119)
Net (loss)	66,566	1,271	7,101	(42,035)	32,903
Fixed Assets Additions	12,132	0	0	0	12,132
Net Working Capital	191,759	20,634	7,143	(2,364)	217,172
Total Assets	552,407	23,989	7,143	75,364	658,903
Total Equity	350,124	20,634	7,143	23,536	401,437
Encumbrances at June 30, 1999	\$3,500	\$1,308	\$1,000	\$4,148	\$9,956

KETTERING CITY SCHOOL DISTRICT
 NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (continued)

14. INTERFUND TRANSACTIONS

Interfund balances at June 30, 1999 consist of the following individual fund receivables and payables.

Interfund Receivables/Payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Horn Grant	\$275,000
General Fund	Drug Free School	\$14,000
Adult School Fund	Post Secondary Vocational Education	13,101
Total		<u>\$302,101</u>

15. STATUTORY SET-ASIDE RESERVES

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 1999, the reserve activity (cash basis) was as follows:

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Balance, Beginning of Year	\$0	\$0	\$202,400
Required Set-Aside	750,000	750,000	375,000
Current Year Offsets	(206,673)	(633,653)	0
Qualifying Expenditures	<u>(543,327)</u>	<u>(116,347)</u>	<u>0</u>
Balance, End of Year	\$0	\$0	\$577,400

Although the School District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero, these extra amounts may not be used to reduce the set-aside requirements of future years. Negative amounts are therefore not presented as being carried forward to the next fiscal year.

16. YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the government's operations as early as fiscal 1999.

The Kettering City School District has completed an inventory of computer systems and other equipment necessary to conducting District operations and has identified such systems as being financial accounting, payroll/personnel, student information, grant reporting and other administrative systems.

All of these systems run on the UNISYS A14 Mainframe (Administrative System) using the CBSI (Complete Business Solutions, Inc.) software. As of June 30, 1999, we were aware that new microcode

KETTERING CITY SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (continued)

was needed for the financial accounting, payroll/personnel, student information, grant reporting and other administrative systems. The A14 Mainframe MCP operating system level we were running on June 30, 1998 was assessed as not year 2000 compliant. As of June 30, 1999, these systems have been remediated and the remediated systems have been tested and validated.

We have installed, as of September 25, 1998, new microcode and upgraded the operating system, as of October 28, 1998, on the UNISYS A14 Mainframe hardware. The A14 console must be console software 27.021 or above for the A14 to be Year 2000 Ready per written documentation from UNISYS. As of November 30, 1998, the District has installed the remediated console software. This software has been tested and validated.

We were notified by CBSI that our software would not manage dates properly for the 1999-2000 school year and that we must upgrade to release 8.0 of our software system in order to be year 2000 compliant.

As of November 30, 1998, the District has completed the assessment stage, remediation, testing and validation of this software.

There were no remaining contracted amounts committed to this project as of June 30, 1999. All compliance costs to date have been covered under current hardware and software support agreements with vendors. Additional costs for year 2000 compliance will be appropriated from the district contingency fund when required for fiscal year 1999-00.

Montgomery County collects property taxes for distribution to the Kettering City School District. Montgomery County is responsible for remediating the tax collection system. The County is solely responsible for any costs associated with the tax collection system project.

The State of Ohio distributes a substantial sum of money to the District in the form of "Foundation" payments. Further, the State processes a significant amount of financial and non-financial information about the District through the State's Education Management and Information System (EMIS). The State is responsible for remediating these systems. The State is solely responsible for any costs associated with the Foundation processing and EMIS systems.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the school district is or will be Year 2000 ready, that the school district's remediation efforts will be successful in whole or in part, or that parties with whom the school district does business will be year 2000 ready.

17. CONTINGENCIES

A. School Funding Decision:

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to this District.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State Legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in

KETTERING CITY SCHOOL DISTRICT
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (continued)

Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. As of October 8, 1999, The Ohio Supreme Court has not rendered an opinion on this issue. The decision of the court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional. As of the date of these financial statements, the District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations. During the fiscal year ended June 30, 1999, the District received \$9,895,652 of school foundation support for its general fund.

B. Grants:

The District received financial assistance from federal and state agencies in the form of grants. The expenditures of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 1999.

C. Litigation:

The District's attorney estimates any potential claims against the District not covered by insurance resulting from all litigation would not materially affect the financial statements of the District.

**COMBINING AND INDIVIDUAL FUND
AND ACCOUNT GROUP FINANCIAL
STATEMENTS AND SCHEDULES**



BERKINGHAM CITY SCHOOL DISTRICT

GENERAL FUND

The general fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in other funds.

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP
 BASIS) AND ACTUAL - GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Taxes	\$37,718,344	\$37,626,239	(\$92,105)
Tuition and Fees	39,844	118,023	78,179
Transportation	205,185	245,818	40,633
Interest	700,000	1,086,571	386,571
Intergovernmental	9,527,567	9,895,652	368,085
Extracurricular Activities	43,914	62,284	18,370
Classroom Materials and Fees	136,148	150,276	14,128
Miscellaneous	49,425	127,250	77,825
Total Revenues	48,420,427	49,312,113	891,686
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	16,891,979	16,630,725	261,254
Fringe Benefits	4,196,388	4,196,388	0
Purchased Services	92,518	92,518	0
Supplies and Materials	1,008,469	1,008,469	0
Capital Outlay	132,604	132,604	0
Total Regular	22,321,958	22,060,704	261,254
Special:			
Salaries and Wages	2,172,129	2,172,129	0
Fringe Benefits	516,796	516,796	0
Purchased Services	20,381	20,381	0
Supplies and Materials	67,886	67,886	0
Capital Outlay	34,850	34,850	0
Other Special	22,524	22,524	0
Total Special	2,834,566	2,834,566	0
Vocational:			
Salaries and Wages	937,397	937,397	0
Fringe Benefits	230,664	230,664	0
Purchased Services	10,204	10,204	0
Supplies and Materials	72,294	72,294	0
Capital Outlay	121,610	121,610	0
Other Vocational	114,357	114,357	0
Total Vocational	1,486,526	1,486,526	0
Adult/Continuing:			
Purchased Services	1,960	1,960	0
Total Adult/Continuing	1,960	1,960	0

(Continued)

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP
 BASIS) AND ACTUAL - GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999
 (Continued)

	Revised Budget	Actual	Over/Under
Other Instruction:			
Purchased Services	1,438,870	1,438,870	0
Total Other Instruction	1,438,870	1,438,870	0
Total Instruction	28,083,880	27,822,626	261,254
Support Services:			
Pupil:			
Salaries and Wages	2,506,237	2,506,237	0
Fringe Benefits	641,607	641,607	0
Purchased Services	22,315	22,315	0
Supplies and Materials	145,813	145,813	0
Capital Outlay	70,525	70,525	0
Total Pupil	3,386,497	3,386,497	0
Instructional Staff:			
Salaries and Wages	1,287,522	1,287,522	0
Fringe Benefits	372,787	372,787	0
Purchased Services	28,114	28,114	0
Supplies and Materials	86,388	86,388	0
Capital Outlay	36,388	36,388	0
Total Instructional Staff	1,811,199	1,811,199	0
Board of Education:			
Salaries and Wages	9,729	9,729	0
Fringe Benefits	1,245	1,245	0
Purchased Services	29,931	29,931	0
Supplies and Materials	2,394	2,394	0
Other Board of Education	20,790	20,790	0
Total Board of Education	64,089	64,089	0
Administration:			
Salaries and Wages	2,584,419	2,584,419	0
Fringe Benefits	656,494	656,494	0
Purchased Services	205,038	205,038	0
Supplies and Materials	81,959	81,959	0
Capital Outlay	28,874	28,874	0
Other Administration	18,612	18,612	0
Total Administration	3,575,396	3,575,396	0

(Continued)

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP
 BASIS) AND ACTUAL - GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999
 (Continued)

	Revised Budget	Actual	Over/Under
Fiscal Services:			
Salaries and Wages	327,681	327,681	0
Fringe Benefits	282,808	148,465	134,343
Purchased Services	27,150	26,026	1,124
Supplies and Materials	17,926	5,421	12,505
Capital Outlay	89,963	25,790	64,173
Other Fiscal Services	522,501	456,772	65,729
Total Fiscal Services	1,268,029	990,155	277,874
Business Services:			
Salaries and Wages	258,571	258,571	0
Fringe Benefits	60,679	60,679	0
Purchased Services	298,104	298,104	0
Supplies and Materials	28,928	28,928	0
Capital Outlay	117,455	117,455	0
Other Business Services	46,828	46,828	0
Total Business Services	810,565	810,565	0
Operation and Maintenance of Plant:			
Salaries and Wages	2,416,729	2,416,729	0
Fringe Benefits	669,273	669,273	0
Purchased Services	1,779,879	1,779,879	0
Supplies and Materials	333,464	333,464	0
Capital Outlay	50,604	50,604	0
Total Operation and Maintenance of Plant	5,249,949	5,249,949	0
Pupil Transportation:			
Salaries and Wages	1,055,634	1,055,634	0
Fringe Benefits	291,326	291,326	0
Purchased Services	91,903	91,903	0
Supplies and Materials	250,772	250,772	0
Capital Outlay	25,875	25,875	0
Total Pupil Transportation	1,715,510	1,715,510	0
Central Services:			
Salaries and Wages	220,460	220,460	0
Fringe Benefits	57,180	57,180	0
Purchased Services	306,186	306,186	0
Supplies and Materials	69,396	69,396	0
Capital Outlay	65,381	65,381	0
Other Central Services	293	293	0
Total Central Services	718,896	718,896	0
Total Support Services	18,600,130	18,322,256	277,874

(Continued)

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP
 BASIS) AND ACTUAL - GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999
 (Continued)

	Revised Budget	Actual	Over/Under
Non-Instructional Services:			
Community Services:			
Purchased Services	1,550	1,550	0
Supplies and Materials	358	358	0
Total Community Services	1,908	1,908	0
Total Non-Instructional Services	1,908	1,908	0
Extracurricular Activities:			
Academic and Subject Oriented:			
Salaries and Wages	108,114	108,114	0
Fringe Benefits	16,266	16,266	0
Total Academic and Subject Oriented	124,380	124,380	0
Occupation Oriented:			
Salaries and Wages	7,403	7,403	0
Fringe Benefits	1,088	1,088	0
Total Occupation Oriented	8,491	8,491	0
Sports Oriented:			
Salaries and Wages	497,693	497,693	0
Fringe Benefits	92,084	92,084	0
Purchased Services	6,470	6,470	0
Total Sports Oriented	596,247	596,247	0
School and Public Services:			
Salaries and Wages	93,304	93,304	0
Fringe Benefits	18,313	18,313	0
Total School and Public Services	111,617	111,617	0
Total Extracurricular Activities	840,735	840,735	0
Facilities Acquisitions and Constructions:			
Site Improvement Services:			
Purchased Services	1,631	1,631	0
Total Site Improvement Services	1,631	1,631	0
Architecture and Engineering:			
Purchased Services	47,753	47,753	0
Total Architecture and Engineering	47,753	47,753	0

(Continued)

KETTERING CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-BUDGET (NON-GAAP
BASIS) AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999
(Continued)

	Revised Budget	Actual	Over/Under
Total Facilities Acquisitions and Constructions	49,384	49,384	0
Total Expenditures	47,576,037	47,036,909	539,128
Excess of Revenues Over (Under) Expenditures	844,390	2,275,204	1,430,814
Other Financing Sources (Uses):			
Proceed from Sale of Fixed Assets	3,284	3,284	0
Advances-In Return	5,200	5,200	0
Advances-Out Initial	(275,000)	(275,000)	0
Operating Transfers-Out	(501,982)	(501,982)	0
Total Other Financing Sources (Uses)	(768,498)	(768,498)	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	75,892	1,506,706	1,430,814
Fund Balance at Beginning of Year	12,117,139	12,117,139	0
Prior Year Encumbrances Appropriated	1,039,870	1,039,870	0
Fund Balance at End of Year	\$13,232,901	\$14,663,715	\$1,430,814

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditure for specific purposes. A description of the School District's Special Revenue Funds follow:

PUBLIC SCHOOL SUPPORT FUND

To support the various needs of the school such as supplies and equipment for use in the school; for support and recognition of school activities as deemed appropriate by the building principal.

TOYS FUND

To account for receipts and expenditures incurred to facilitate district-level systemic implementation of toy-based physical science education by purchasing toys, books, paying for substitute, etc.

VENTURE CAPITAL FUND

To account for State monies which support the school improvement program and to enhance faculty knowledge and experiences.

ATHLETIC FUND

This fund is a combination of subject matters and experiences usually not provided in a regular class, designed for pupils who wish to pursue satisfying individual/group interest and study in specific aspects of the subject matter provided in a regular classroom.

AUXILIARY SERVICES FUND

This fund accounts for funds which provide services and materials to pupils attending non-public schools within the School District.

CAREER DEVELOPMENT FUND

To account for monies received and expended in conjunction with Vocational Education Career Development projects funded by the State of Ohio, Ohio Department of Education, Division of Vocational Education.

POST SECONDARY VOCATIONALAL EDUCATION FUND

To account for receipts and expenditures incurred in providing opportunities for adults to acquire adequate employment skills.

LOCAL PROFESSIONAL DEVELOPMENT FUND

To support the school district's professional development and teacher training activities that is guided by Ohio's model competency-based education programming or comparable models to support student achievement, including proficiency test performance.

EDUCATION MANAGEMENT INFORMATION SYSTEM FUND

Accounts for state monies which support the development of hardware and software or other costs associated with the requirements of the management information system.

PUBLIC SCHOOL PRESCHOOL FUND

To account for programs for early childhood education for disadvantaged four and five year olds.

INSTRUCTIONAL MATERIALS SUBSIDY

To account for State monies to provide for textbooks, instructional software, and instructional materials.

PARENT MENTOR FUND

To account for State monies to provide the need for support and education of parents of children with disabilities, and to provide the opportunity for parents to participate in regularly scheduled support groups.

HORN GRANT

To provide for the use of the productivity improvement challenge program to expand, enhance and upgrade career programming for students in southern Montgomery County school districts.

ADULT BASIC EDUCATION FUND

This fund accounts for federal monies used to provide programs in reading, writing and math competency for adults that do not have a high school diploma.

EESA TITLE II FUND

Provided for strengthening instruction in science, mathematics, modern foreign languages, English, the arts and computer learning.

EESA TITLE VI-B FUND

This federal program assists 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 preschool, elementary and secondary levels.

CARL D. PERKINS VOCATIONAL EDUCATION ACT OF 1984 FUND

Provision of funds to boards of education, teacher training institutions, 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, including sex equity grants. Funds are administered by the Ohio Department of Education, Division of Vocational and Career Education.

TITLE I FUND

Accounts for federal monies used to assist the School District in meeting the special needs of educationally deprived children.

EVEN START PROGRAM FUND

To improve the educational opportunities of children and adults by integrating early childhood education into a unified, family-centered program to help parents become full partners in their children's education and to assist children in reaching their full potential as learners.

FAMILY LITERACY

To provide in response to a need to bring together a wide field of educators for linkage into the new initiatives and program planning for meeting the educational needs of children and adults in the community.

TITLE VI INNOVATION FUND

To account for federal revenues which support the implementation of computer education programs, gifted and talented programs, inservice training and staff development.

DRUG FREE SCHOOL FUND

Accounts for federal revenues which support the implementation of programs for drug abuse education and prevention.

SYSTEMIC GRANT FUND

A fund provided to account for the District's continuous improvement plan.

OTHER FEDERAL PROGRAMS

To account for the activities of preschool grant, America reads, and telecommunications.

KETTERING CITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 JUNE 30, 1999

	Public School Support	TOYS	Venture Capital	Athletic	Auxiliary Services
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$179,684	\$2,374	\$5,016	\$192,760	\$390,154
Receivables:					
Intergovernmental	0	0	0	0	0
Total Assets	\$179,684	\$2,374	\$5,016	\$192,760	\$390,154
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable	\$14,944	\$0	\$785	\$8,119	\$79,923
Accrued Wages	0	0	1,750	0	98,895
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	0	0	245	0	13,845
Total Liabilities	14,944	0	2,780	8,119	192,663
Fund Balances:					
Reserved for Encumbrances	13,159	0	0	73,106	177,572
Unreserved	151,581	2,374	2,236	111,535	19,919
Total Fund Balances	164,740	2,374	2,236	184,641	197,491
Total Liabilities and Fund Balances	\$179,684	\$2,374	\$5,016	\$192,760	\$390,154

Career Development	Post Secondary Vocational Education	Local Professional Development	Education Management Information System	Public School Preschool	Instructional Materials Subsidy	Parent Mentor Program	Horn Grant
\$83,661	\$0	\$26,038	\$3,390	\$11,670	\$21,530	\$32,549	\$242,744
0	13,101	0	0	0	0	0	198,189
\$83,661	\$13,101	\$26,038	\$3,390	\$11,670	\$21,530	\$32,549	\$440,933
\$2,044	\$0	\$0	\$0	\$2,533	\$0	\$0	\$100,218
0	0	0	648	5,453	0	3,086	0
0	13,101	0	0	0	0	0	275,000
0	0	0	465	1,278	0	432	0
2,044	13,101	0	1,113	9,264	0	3,518	375,218
889	0	85	0	0	13,221	0	65,715
80,728	0	25,953	2,277	2,406	8,309	29,031	0
81,617	0	26,038	2,277	2,406	21,530	29,031	65,715
\$83,661	\$13,101	\$26,038	\$3,390	\$11,670	\$21,530	\$32,549	\$440,933

(Continued)

KETTERING CITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 JUNE 30, 1999
 (Continued)

	Adult Basic Education	EESA Title II	EESA Title VI-B	Carl D. Perkins	Title I
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$6,471	\$16,195	\$61,256	\$21,247	\$40,400
Receivables: Intergovernmental	17,508	0	30,581	0	39,325
Total Assets	\$23,979	\$16,195	\$91,837	\$21,247	\$79,725
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable	\$0	\$0	\$750	\$904	\$412
Accrued Wages	2,401	0	28,309	3,972	59,578
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	2,124	0	5,181	564	8,341
Total Liabilities	4,525	0	34,240	5,440	68,331
Fund Balances:					
Reserved for Encumbrances	0	0	2,030	6,569	2,340
Unreserved	19,454	16,195	55,567	9,238	9,054
Total Fund Balances	19,454	16,195	57,597	15,807	11,394
Total Liabilities and Fund Balances	\$23,979	\$16,195	\$91,837	\$21,247	\$79,725

Even Start Program	Family Literacy	Title VI Innovation	Drug Free School Grant	Systemic Grant	Other Federal Programs	Totals
\$12,655	\$17,000	\$20,469	\$8,903	\$55,519	\$12,603	\$1,464,288
9,202	0	0	14,108	0	0	322,014
<u>\$21,857</u>	<u>\$17,000</u>	<u>\$20,469</u>	<u>\$23,011</u>	<u>\$55,519</u>	<u>\$12,603</u>	<u>\$1,786,302</u>
\$2,182	\$12,165	\$0	\$2,060	\$6,273	\$10,770	\$244,082
9,298	855	0	0	0	0	214,245
0	0	0	14,000	0	0	302,101
2,166	120	0	73	776	0	35,610
<u>13,646</u>	<u>13,140</u>	<u>0</u>	<u>16,133</u>	<u>7,049</u>	<u>10,770</u>	<u>796,038</u>
0	0	0	272	11,538	1,466	367,962
8,211	3,860	20,469	6,606	36,932	367	622,302
<u>8,211</u>	<u>3,860</u>	<u>20,469</u>	<u>6,878</u>	<u>48,470</u>	<u>1,833</u>	<u>990,264</u>
<u>\$21,857</u>	<u>\$17,000</u>	<u>\$20,469</u>	<u>\$23,011</u>	<u>\$55,519</u>	<u>\$12,603</u>	<u>\$1,786,302</u>

KETTERING CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Public School Support	TOYS	Venture Capital	Athletic	Auxiliary Services
Revenues:					
Tuition and Fees	\$0	\$0	\$0	\$41,926	\$0
Interest	11,208	0	0	0	18,221
Intergovernmental	0	0	0	0	1,097,261
Extracurricular Activities	209,834	0	0	302,731	0
Classroom Materials and Fees	47,722	0	0	0	0
Miscellaneous	67,726	0	0	31,424	0
Total Revenues	336,490	0	0	376,081	1,115,482
Expenditures:					
Current:					
Instruction:					
Regular	65,968	0	8,266	0	0
Special	0	0	0	0	0
Vocational	0	0	0	0	0
Adult/Continuing	0	0	0	0	0
Support Services:					
Pupil	0	0	0	0	0
Instructional Staff	5,447	0	4,944	0	0
Administration	281,250	0	2,428	0	0
Business	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	5,401	0
Pupil Transportation	0	0	0	0	0
Central	0	0	0	0	0
Non-Instructional Services	0	0	0	0	1,143,089
Extracurricular Activities	935	0	0	401,631	0
Total Expenditures	353,600	0	15,638	407,032	1,143,089
Excess of Revenue Over (Under) Expenditures	(17,110)	0	(15,638)	(30,951)	(27,607)
Other Financing Sources:					
Operating Transfers-In	0	0	0	8,000	0
Fund Balances at Beginning of Year	181,850	2,374	17,874	207,592	225,098
Fund Balances at End of Year	\$164,740	\$2,374	\$2,236	\$184,641	\$197,491

Career Development	Post Secondary Vocational Education	Local Professional Development	Education Management Information System	Public School Preschool	Instructional Materials Subsidy	Parent Mentor Program	Horn Grant
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0	0
71,252	94,667	46,688	22,479	236,782	116,632	25,000	198,189
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
71,252	94,667	46,688	22,479	236,782	116,632	25,000	198,189
0	0	0	0	98,908	203,228	0	0
0	0	0	0	0	0	0	0
0	94,667	0	0	0	0	0	129,521
0	0	0	0	0	0	0	0
34,472	0	0	0	22,430	0	26,095	0
0	0	18,245	0	81,540	0	0	0
0	0	0	0	23,394	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	8,567	0	0	2,953
0	0	0	0	0	0	0	0
0	0	2,405	20,202	5,681	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
34,472	94,667	20,650	20,202	240,520	203,228	26,095	132,474
36,780	0	26,038	2,277	(3,738)	(86,596)	(1,095)	65,715
0	0	0	0	0	0	0	0
44,837	0	0	0	6,144	108,126	30,126	0
\$81,617	\$0	\$26,038	\$2,277	\$2,406	\$21,530	\$29,031	\$65,715

(Continued)

KETTERING CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999
 (Continued)

	Adult Basic Education	EESA Title II	EESA Title VI-B	Carl D. Perkins	Title I
Revenues:					
Tuition and Fees	\$0	\$0	\$0	\$0	\$0
Interest	0	0	0	0	0
<i>Intergovernmental</i>	77,128	39,128	335,744	58,758	393,155
Extracurricular Activities	0	0	0	0	0
Classroom Materials and Fees	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Total Revenues	77,128	39,128	335,744	58,758	393,155
Expenditures:					
Current:					
Instruction:					
Regular	0	10,186	0	0	0
Special	0	0	30,150	0	351,270
Vocational	0	0	0	71,245	0
Adult/Continuing	33,503	0	0	0	0
Support Services:					
Pupil	0	0	125,347	0	48,376
Instructional Staff	30,044	835	19,107	0	0
Administration	4,797	23,918	87,779	0	9,724
Business					
Operation and Maintenance of Plant	0	0	0	0	0
Pupil Transportation	0	0	35,538	0	0
Central	0	0	0	0	0
Non-Instructional Services	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Total Expenditures	68,344	34,939	297,921	71,245	409,370
Excess of Revenue Over (Under) Expenditures	8,784	4,189	37,823	(12,487)	(16,215)
Other Financing Sources:					
Operating Transfers-In	0	0	0	0	0
Fund Balances at Beginning of Year	10,670	12,006	19,774	28,294	27,609
Fund Balances at End of Year	\$19,454	\$16,195	\$57,597	\$15,807	\$11,394

Even Start Program	Family Literacy	Title VI Innovation	Drug Free School Grant	Systemic Grant	Other Federal Programs	Totals
\$0	\$0	\$0	\$0	\$0	\$0	\$41,926
0	0	0	0	0	0	29,429
175,623	17,000	28,553	47,407	151,693	66,635	3,299,774
0	0	0	0	0	0	512,565
0	0	0	0	0	0	47,722
0	0	0	0	0	0	99,150
<u>175,623</u>	<u>17,000</u>	<u>28,553</u>	<u>47,407</u>	<u>151,693</u>	<u>66,635</u>	<u>4,030,566</u>
0	3,710	36,457	2,163	88,381	31,989	549,256
73,162	0	0	0	0	3,289	457,871
0	0	0	0	0	0	295,433
0	0	0	0	0	0	33,503
5,204	3,086	0	39,354	15,190	0	319,554
64,667	0	0	0	54,357	1,399	280,585
22,437	0	0	0	0	6,300	462,027
0	0	0	0	0	18,593	18,593
0	2,334	0	0	0	0	19,255
422	0	0	0	0	0	35,960
2,400	4,010	0	0	0	3,479	38,177
0	0	326	4,419	0	0	1,147,834
0	0	0	0	0	0	402,566
<u>168,292</u>	<u>13,140</u>	<u>36,783</u>	<u>45,936</u>	<u>157,928</u>	<u>65,049</u>	<u>4,060,614</u>
<u>7,331</u>	<u>3,860</u>	<u>(8,230)</u>	<u>1,471</u>	<u>(6,235)</u>	<u>1,586</u>	<u>(30,048)</u>
0	0	0	0	0	0	8,000
880	0	28,699	5,407	54,705	247	1,012,312
<u>\$8,211</u>	<u>\$3,860</u>	<u>\$20,469</u>	<u>\$6,878</u>	<u>\$48,470</u>	<u>\$1,833</u>	<u>\$990,264</u>

KETTERING CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-BUDGET (NON-GAAP
BASIS) AND ACTUAL - PUBLIC SCHOOL SUPPORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Interest	\$11,208	\$11,208	\$0
Extracurricular Activities	209,834	209,834	0
Classroom Materials and Fees	47,722	47,722	0
Miscellaneous	67,726	67,726	0
Total Revenues	336,490	336,490	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Supplies and Materials	51,281	51,281	0
Capital Outlay	19,843	19,843	0
Other Regular Instruction	2,738	2,738	0
Total Regular	73,862	73,862	0
Total Instruction	73,862	73,862	0
Support Services:			
Instructional Staff:			
Purchased Services	1,204	1,204	0
Supplies and Materials	3,555	3,555	0
Capital Outlay	2,125	2,125	0
Total Instructional Staff	6,884	6,884	0
Administration:			
Purchased Services	80,520	80,520	0
Supplies and Materials	137,644	137,644	0
Capital Outlay	38,227	38,227	0
Other Administration	46,250	46,250	0
Total Administration	302,641	302,641	0
Total Support Services	309,525	309,525	0
Extracurricular Activities:			
Academic and Subject Oriented			
Supplies and Materials	785	785	0
Other Academic and Subject Oriented	150	150	0
Total Academic and Subject Oriented	935	935	0
Total Extracurricular Activities	935	935	0
Total Expenditures	384,322	384,322	0
Excess of Revenues Over (Under) Expenditures	(47,832)	(47,832)	0
Fund Balance at Beginning of Year	155,357	155,357	0
Prior Year Encumbrances Appropriated	44,056	44,056	0
Fund Balance at End of Year	\$151,581	\$151,581	\$0

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP
 BASIS) AND ACTUAL - TOYS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Supplies and Materials	0	0	0
Capital Outlay	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at Beginning of Year	2,374	2,374	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$2,374</u>	<u>\$2,374</u>	<u>\$0</u>

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP
 BASIS) AND ACTUAL - VENTURE CAPITAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	2,312	2,312	0
Fringe Benefits	357	357	0
Purchased Services	2,082	1,814	268
Capital Outlay	3,192	2,706	486
Total Regular	7,943	7,189	754
Total Instruction	7,943	7,189	754
Support Services:			
Instructional Staff:			
Salaries and Wages	3,958	3,852	106
Fringe Benefits	652	622	30
Total Instructional Staff	4,610	4,474	136
Administration:			
Purchased Service	2,556	790	1,766
Supplies and Materials	3,004	1,432	1,572
Capital Outlay	206	206	0
Total Administration	5,766	2,428	3,338
Total Support Services	10,376	6,902	3,474
Total Expenditures	18,319	14,091	4,228
Excess of Revenues Over (Under) Expenditures	(18,319)	(14,091)	4,228
Fund Balance at Beginning of Year	15,895	15,895	0
Prior Year Encumbrances Appropriated	2,435	2,435	0
Fund Balance at End of Year	\$11	\$4,239	\$4,228

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP
 BASIS) AND ACTUAL - ATHLETIC FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Tuition and Fees	\$41,926	\$41,926	\$0
Extracurricular Activities	302,731	302,731	0
Miscellaneous	31,424	31,424	0
Total Revenues	376,081	376,081	0
Expenditures:			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	5,401	5,401	0
Total Operation and Maintenance of Plant	5,401	5,401	0
Total Support Services	5,401	5,401	0
Extracurricular Activities:			
Academic and Subject Oriented:			
Purchased Services	693	693	0
Supplies and Materials	41,029	41,029	0
Capital Outlay	850	850	0
Other Academic and Subject Oriented	27,914	27,914	0
Total Academic and Subject Oriented	70,486	70,486	0
Sports Oriented:			
Salaries and Wages	4,030	4,030	0
Fringe Benefits	598	598	0
Purchased Services	87,781	87,781	0
Supplies and Materials	123,809	123,809	0
Capital Outlay	37,484	37,484	0
Other Sports Oriented	17,593	17,593	0
Total Sports Oriented	271,295	271,295	0
School and Public Services:			
Purchased Services	93,963	93,963	0
Supplies and Materials	20,018	20,018	0
Capital Outlay	5,938	5,938	0
Other School and Public Services	28,653	28,653	0
Total School and Public Services	148,572	148,572	0
Total Extracurricular Activities	490,353	490,353	0
Total Expenditures	495,754	495,754	0
Excess of Revenues Over (Under) Expenditures	(119,673)	(119,673)	0

(Continued)

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP
 BASIS) AND ACTUAL - ATHLETIC FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999
 (Continued)

	Revised Budget	Actual	Over/Under
Other Financing Sources:			
Operating Transfers-In	8,000	8,000	0
Total Other Financing Sources	<u>8,000</u>	<u>8,000</u>	<u>0</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures	<u>(111,673)</u>	<u>(111,673)</u>	<u>0</u>
Fund Balance at Beginning of Year	137,087	137,087	0
Prior Year Encumbrances Appropriated	<u>86,121</u>	<u>86,121</u>	<u>0</u>
Fund Balance at End of Year	<u>\$111,535</u>	<u>\$111,535</u>	<u>\$0</u>

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP
 BASIS) AND ACTUAL - AUXILIARY SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Interest	\$18,222	\$18,222	\$0
Intergovernmental	1,097,261	1,097,261	0
Total Revenues	<u>1,115,483</u>	<u>1,115,483</u>	<u>0</u>
Expenditures:			
Current:			
Non-Instructional Services:			
Community Services:			
Salaries and Wages	616,506	616,506	0
Fringe Benefits	156,057	156,057	0
Purchased Services	66,029	65,559	470
Supplies and Materials	582,006	564,882	17,124
Capital Outlay	55,647	55,485	162
Total Community Services	<u>1,476,245</u>	<u>1,458,489</u>	<u>17,756</u>
Total Non-Instructional Services	<u>1,476,245</u>	<u>1,458,489</u>	<u>17,756</u>
Total Expenditures	<u>1,476,245</u>	<u>1,458,489</u>	<u>17,756</u>
Excess of Revenues Over (Under) Expenditures	<u>(360,762)</u>	<u>(343,006)</u>	<u>17,756</u>
Fund Balance at Beginning of Year	234,356	234,356	0
Prior Year Encumbrances Appropriated	<u>127,602</u>	<u>127,602</u>	<u>0</u>
Fund Balance at End of Year	<u>\$1,196</u>	<u>\$18,952</u>	<u>\$17,756</u>

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP
 BASIS) AND ACTUAL - CAREER DEVELOPMENT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$71,252	\$71,252	\$0
Total Revenues	<u>71,252</u>	<u>71,252</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Pupil:			
Salaries and Wages	8,721	6,000	2,721
Fringe Benefits	1,482	880	602
Supplies and Materials	29,484	28,812	672
Total Pupil	<u>39,687</u>	<u>35,692</u>	<u>3,995</u>
Total Support Services	<u>39,687</u>	<u>35,692</u>	<u>3,995</u>
Total Expenditures	<u>39,687</u>	<u>35,692</u>	<u>3,995</u>
Excess of Revenues Over (Under) Expenditures	<u>31,565</u>	<u>35,560</u>	<u>3,995</u>
Fund Balance at Beginning of Year	37,228	37,228	0
Prior Year Encumbrances Appropriated	<u>7,940</u>	<u>7,940</u>	<u>0</u>
Fund Balance at End of Year	<u>\$76,733</u>	<u>\$80,728</u>	<u>\$3,995</u>

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 POST SECONDARY VOCATIONAL EDUCATION FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$81,566	\$81,566	\$0
Total Revenues	81,566	81,566	0
Expenditures:			
Current:			
Instruction:			
Vocational:			
Salaries and Wages	81,566	81,566	0
Total Vocational	81,566	81,566	0
Total Instruction	81,566	81,566	0
Total Expenditures	81,566	81,566	0
Excess of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 LOCAL PROFESSIONAL DEVELOPMENT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$46,687	\$46,687	\$0
Total Revenues	<u>46,687</u>	<u>46,687</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	5,785	3,925	1,860
Fringe Benefits	1,081	598	483
Purchased Services	33,413	13,807	19,606
Total Instructional Staff	<u>40,279</u>	<u>18,330</u>	<u>21,949</u>
Central:			
Purchased Services	6,408	2,405	4,003
Total Central	<u>6,408</u>	<u>2,405</u>	<u>4,003</u>
Total Support Services	<u>46,687</u>	<u>20,735</u>	<u>25,952</u>
Total Expenditures	<u>46,687</u>	<u>20,735</u>	<u>25,952</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>25,952</u>	<u>25,952</u>
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$25,952</u>	<u>\$25,952</u>

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 EDUCATION MANAGEMENT INFORMATION SYSTEM FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$22,479	\$22,479	\$0
Total Revenues	<u>22,479</u>	<u>22,479</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Central:			
Salaries and Wages	17,814	15,385	2,429
Fringe Benefits	4,567	3,705	862
Total Central	<u>22,381</u>	<u>19,090</u>	<u>3,291</u>
Total Support Services	<u>22,381</u>	<u>19,090</u>	<u>3,291</u>
Total Expenditures	<u>22,381</u>	<u>19,090</u>	<u>3,291</u>
Excess of Revenues Over (Under) Expenditures	<u>98</u>	<u>3,389</u>	<u>3,291</u>
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$98</u>	<u>\$3,389</u>	<u>\$3,291</u>

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP
 BASIS) AND ACTUAL - PUBLIC SCHOOL PRESCHOOL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$236,782	\$236,782	\$0
Total Revenues	236,782	236,782	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	60,421	60,421	0
Fringe Benefits	9,573	9,430	143
Purchased Services	2,811	2,811	0
Supplies and Materials	16,633	16,633	0
Capital Outlay	7,857	7,857	0
Total Regular	97,295	97,152	143
Total Instruction	97,295	97,152	143
Support Services:			
Pupil:			
Salaries and Wages	14,387	14,387	0
Fringe Benefits	2,403	2,403	0
Purchased Services	5,640	5,640	0
Total Pupil	22,430	22,430	0
Instructional Staff:			
Salaries and Wages	64,015	58,819	5,196
Fringe Benefits	16,865	15,152	1,713
Purchased Services	242	242	0
Supplies and Materials	96	96	0
Capital Outlay	8,820	8,820	0
Total Instructional Staff	90,038	83,129	6,909
Administration:			
Salaries and Wages	24,595	22,841	1,754
Fringe Benefits	3,952	3,620	332
Total Administration	28,547	26,461	2,086
Operation and Maintenance of Plant:			
Purchased Services	2,209	2,209	0
Supplies and Materials	1,704	1,704	0
Other Operation and Maintenance of Plant	4,654	4,654	0
Total Operation and Maintenance of Plant	8,567	8,567	0
Central:			
Supplies and Materials	5,941	5,941	0
Total Central	5,941	5,941	0
Total Support Services	155,523	146,528	8,995

(Continued)

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP
 BASIS) AND ACTUAL - PUBLIC SCHOOL PRESCHOOL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999
 (Continued)

	Revised Budget	Actual	Over/Under
Total Expenditures	252,818	243,680	9,138
Excess of Revenues Over (Under) Expenditures	(16,036)	(6,898)	9,138
Fund Balance at Beginning of Year	13,747	13,747	0
Prior Year Encumbrances Appropriated	2,288	2,288	0
Fund Balance at End of Year	(\$1)	\$9,137	\$9,138

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 INSTRUCTIONAL MATERIALS SUBSIDY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$116,632	\$116,632	\$0
Total Revenues	<u>116,632</u>	<u>116,632</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Supplies and Materials	228,203	219,894	8,309
Total Regular	<u>228,203</u>	<u>219,894</u>	<u>8,309</u>
Total Instruction	<u>228,203</u>	<u>219,894</u>	<u>8,309</u>
Total Expenditures	<u>228,203</u>	<u>219,894</u>	<u>8,309</u>
Excess of Revenues Over (Under) Expenditures	(111,571)	(103,262)	8,309
Fund Balance at Beginning of Year	5,391	5,391	0
Prior Year Encumbrances Appropriated	<u>106,180</u>	<u>106,180</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$8,309</u>	<u>\$8,309</u>

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 PARENT MENTOR PROGRAM FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$25,000	\$25,000	\$0
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Pupil:			
Salaries and Wages	20,887	15,943	4,944
Fringe Benefits	9,943	7,518	2,425
Purchased Services	1,091	1,030	61
Supplies and Materials	421	303	118
Total Pupil	<u>32,342</u>	<u>24,794</u>	<u>7,548</u>
Total Support Services	<u>32,342</u>	<u>24,794</u>	<u>7,548</u>
Total Expenditures	<u>32,342</u>	<u>24,794</u>	<u>7,548</u>
Excess of Revenues Over (Under) Expenditures	(7,342)	206	7,548
Fund Balance at Beginning of Year	<u>32,343</u>	<u>32,343</u>	<u>0</u>
Fund Balance at End of Year	<u>\$25,001</u>	<u>\$32,549</u>	<u>\$7,548</u>

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 HORN GRANT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Vocational:			
Supplies and Materials	65,649	20,861	44,788
Capital Outlay	194,995	164,367	30,628
Total Vocational	<u>260,644</u>	<u>185,228</u>	<u>75,416</u>
Total Instruction	<u>260,644</u>	<u>185,228</u>	<u>75,416</u>
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	4,455	3,060	1,395
Supplies and Materials	9,901	9,901	0
Total Operation and Maintenance of Plant	<u>14,356</u>	<u>12,961</u>	<u>1,395</u>
Total Support Services	<u>14,356</u>	<u>12,961</u>	<u>1,395</u>
Total Expenditures	<u>275,000</u>	<u>198,189</u>	<u>76,811</u>
Excess of Revenues Over (Under) Expenditures	<u>(275,000)</u>	<u>(198,189)</u>	<u>76,811</u>
Other Financing Sources:			
Advances-In, Initial	275,000	275,000	0
Total Other Financing Sources	<u>275,000</u>	<u>275,000</u>	<u>0</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures	<u>0</u>	<u>76,811</u>	<u>76,811</u>
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$76,811</u>	<u>\$76,811</u>

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 ADULT BASIC EDUCATION FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$77,359	\$77,359	\$0
Total Revenues	<u>77,359</u>	<u>77,359</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Adult/Continuing:			
Salaries and Wages	20,898	20,752	146
Fringe Benefits	3,608	3,245	363
Purchased Services	850	450	400
Supplies and Materials	3,674	2,936	738
Capital Outlay	5,401	5,110	291
Total Adult/continuing	<u>34,431</u>	<u>32,493</u>	<u>1,938</u>
Total Instruction	<u>34,431</u>	<u>32,493</u>	<u>1,938</u>
Support Services:			
Instructional Staff:			
Salaries and Wages	20,877	20,034	843
Fringe Benefits	5,975	5,318	657
Purchased Services	4,576	4,364	212
Total Instructional Staff	<u>31,428</u>	<u>29,716</u>	<u>1,712</u>
Administration:			
Salaries and Wages	4,449	3,856	593
Fringe Benefits	1,095	859	236
Total Administration	<u>5,544</u>	<u>4,715</u>	<u>829</u>
Operation and Maintenance of Plant:			
Purchased Services	500	0	500
Total Operation and Maintenance of Plant	<u>500</u>	<u>0</u>	<u>500</u>
Total Support Services	<u>37,472</u>	<u>34,431</u>	<u>3,041</u>
Total Expenditures	<u>71,903</u>	<u>66,924</u>	<u>4,979</u>
Excess of Revenues Over (Under) Expenditures	<u>5,456</u>	<u>10,435</u>	<u>4,979</u>
Other Financing Uses:			
Advances-Out, Return	(5,200)	(5,200)	0
Total Other Financing Uses	<u>(5,200)</u>	<u>(5,200)</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Uses	256	5,235	4,979
Fund Balance at Beginning of Year	1,092	1,092	0
Prior Year Encumbrances Appropriated	144	144	0
Fund Balance at End of Year	<u>\$1,492</u>	<u>\$6,471</u>	<u>\$4,979</u>

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 EESA TITLE II FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$39,128	\$39,128	\$0
Total Revenues	<u>39,128</u>	<u>39,128</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	5,113	2,613	2,500
Fringe Benefits	3,073	403	2,670
Purchased Services	3,539	3,155	384
Supplies and Materials	11,966	7,131	4,835
Capital Outlay	1,839	249	1,590
Total Regular	<u>25,530</u>	<u>13,551</u>	<u>11,979</u>
Total Instruction	<u>25,530</u>	<u>13,551</u>	<u>11,979</u>
Support Services:			
Instructional Staff:			
Purchased Services	985	935	50
Total Instructional Staff	<u>985</u>	<u>935</u>	<u>50</u>
Administration:			
Capital Outlay	26,771	23,918	2,853
Total Administration	<u>26,771</u>	<u>23,918</u>	<u>2,853</u>
Total Support Services	<u>27,756</u>	<u>24,853</u>	<u>2,903</u>
Total Expenditures	<u>53,286</u>	<u>38,404</u>	<u>14,882</u>
Excess of Revenues Over (Under) Expenditures	(14,158)	724	14,882
Fund Balance at Beginning of Year	8,162	8,162	0
Prior Year Encumbrances Appropriated	<u>7,209</u>	<u>7,209</u>	<u>0</u>
Fund Balance at End of Year	<u>\$1,213</u>	<u>\$16,095</u>	<u>\$14,882</u>

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 EESA TITLE VI-B FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$305,163	\$305,163	\$0
Total Revenues	305,163	305,163	0
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and Wages	27,499	21,141	6,358
Fringe Benefits	8,503	5,319	3,184
Capital Outlay	4,098	4,090	8
Total Special	40,100	30,550	9,550
Total Instruction	40,100	30,550	9,550
Support Services:			
Pupil:			
Salaries and Wages	79,499	69,493	10,006
Fringe Benefits	39,779	29,117	10,662
Purchased Services	18,317	18,217	100
Supplies and Materials	6,635	6,635	0
Total Pupil	144,230	123,462	20,768
Instructional Staff:			
Salaries and Wages	15,100	14,054	1,046
Fringe Benefits	2,527	2,196	331
Purchased Services	3,000	2,996	4
Total Instructional Staff	20,627	19,246	1,381
Administration:			
Salaries and Wages	88,765	74,250	14,515
Fringe Benefits	20,515	16,658	3,857
Purchased Services	1,625	639	986
Capital Outlay	1,635	1,635	0
Total Administration	112,540	93,182	19,358
Pupil Transportation:			
Salaries and Wages	31,324	27,128	4,196
Fringe Benefits	10,375	7,769	2,606
Total Pupil Transportation	41,699	34,897	6,802
Total Support Services	319,096	270,787	48,309
Total Expenditures	359,196	301,337	57,859
Excess of Revenues Over (Under) Expenditures	(54,033)	3,826	57,859
Fund Balance at Beginning of Year	54,475	54,475	0
Prior Year Encumbrances Appropriated	175	175	0
Fund Balance at End of Year	\$617	\$58,476	\$57,859

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 CARL D. PERKINS VEA FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$58,759	\$58,759	\$0
Total Revenues	<u>58,759</u>	<u>58,759</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Vocational:			
Salaries and Wages	23,168	22,319	849
Fringe Benefits	10,160	9,246	914
Purchased Services	34,346	26,822	7,524
Supplies and Materials	19,829	19,719	110
Total Vocational	<u>87,503</u>	<u>78,106</u>	<u>9,397</u>
Total Instruction	<u>87,503</u>	<u>78,106</u>	<u>9,397</u>
Total Expenditures	<u>87,503</u>	<u>78,106</u>	<u>9,397</u>
Excess of Revenues Over (Under) Expenditures	<u>(28,744)</u>	<u>(19,347)</u>	<u>9,397</u>
Fund Balance at Beginning of Year	24,184	24,184	0
Prior Year Encumbrances Appropriated	<u>8,938</u>	<u>8,938</u>	<u>0</u>
Fund Balance at End of Year	<u>\$4,378</u>	<u>\$13,775</u>	<u>\$9,397</u>

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP
 BASIS) AND ACTUAL - TITLE I FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$398,334	\$398,334	\$0
Total Revenues	<u>398,334</u>	<u>398,334</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and Wages	292,566	272,026	20,540
Fringe Benefits	72,987	66,215	6,772
Purchased Services	1,046	296	750
Supplies and Materials	17,272	15,549	1,723
Total Special	<u>383,871</u>	<u>354,086</u>	<u>29,785</u>
Total Instruction	<u>383,871</u>	<u>354,086</u>	<u>29,785</u>
Support Services:			
Pupil:			
Salaries and Wages	32,810	29,325	3,485
Fringe Benefits	14,597	11,877	2,720
Total Pupil	<u>47,407</u>	<u>41,202</u>	<u>6,205</u>
Administration:			
Salaries and Wages	2,644	2,644	0
Fringe Benefits	987	987	0
Purchased Services	1,820	1,640	180
Supplies and Materials	5,948	5,498	450
Total Administration	<u>11,399</u>	<u>10,769</u>	<u>630</u>
Total Support Services	<u>58,806</u>	<u>51,971</u>	<u>6,835</u>
Total Expenditures	<u>442,677</u>	<u>406,057</u>	<u>36,620</u>
Excess of Revenues Over (Under) Expenditures	(44,343)	(7,723)	36,620
Fund Balance at Beginning of Year	42,726	42,726	0
Prior Year Encumbrances Appropriated	<u>1,900</u>	<u>1,900</u>	<u>0</u>
Fund Balance at End of Year	<u>\$283</u>	<u>\$36,903</u>	<u>\$36,620</u>

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 EVEN START PROGRAM FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$178,048	\$178,048	\$0
Total Revenues	178,048	178,048	0
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and Wages	63,566	62,062	1,504
Fringe Benefits	11,510	10,001	1,509
Supplies and Materials	1,631	1,631	0
Capital Outlay	793	793	0
Total Special	77,500	74,487	3,013
Total Instruction	77,500	74,487	3,013
Support Services:			
Pupil:			
Salaries and Wages	3,835	3,835	0
Fringe Benefits	1,260	1,252	8
Total Pupil	5,095	5,087	8
Instructional Staff:			
Salaries and Wages	50,189	47,316	2,873
Fringe Benefits	10,976	9,888	1,088
Purchased Services	5,001	5,000	1
Supplies and Materials	719	719	0
Total Instructional Staff	66,885	62,923	3,962
Administration:			
Salaries and Wages	20,698	18,001	2,697
Fringe Benefits	4,694	4,118	576
Total Administration	25,392	22,119	3,273
Pupil Transportation:			
Other Pupil Transportation	729	422	307
Total Pupil Transportation	729	422	307
Central:			
Purchased Services	2,220	2,220	0
Total Central	2,220	2,220	0
Total Support Services	100,321	92,771	7,550
Total Expenditures	177,821	167,258	10,563
Excess of Revenues Over (Under) Expenditures	227	10,790	10,563
Fund Balance at Beginning of Year	179	179	0
Prior Year Encumbrances Appropriated	360	360	0
Fund Balance at End of Year	\$766	\$11,329	\$10,563

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 FAMILY LITERACY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$17,000	\$17,000	\$0
Total Revenues	<u>17,000</u>	<u>17,000</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased Services	4,300	500	3,800
Total Regular	<u>4,300</u>	<u>500</u>	<u>3,800</u>
Total Instruction	<u>4,300</u>	<u>500</u>	<u>3,800</u>
Support Services:			
Pupil:			
Salaries and Wages	2,700	0	2,700
Fringe Benefits	432	0	432
Purchased Services	1,900	1,900	0
Supplies and Materials	425	425	0
Total Pupil	<u>5,457</u>	<u>2,325</u>	<u>3,132</u>
Operation and Maintenance of Plant:			
Purchased Services	4,010	4,010	0
Total Operation and Maintenance of Plant	<u>4,010</u>	<u>4,010</u>	<u>0</u>
Central:			
Purchased Services	2,723	2,723	0
Total Central	<u>2,723</u>	<u>2,723</u>	<u>0</u>
Total Support Services	<u>12,190</u>	<u>9,058</u>	<u>3,132</u>
Total Expenditures	<u>16,490</u>	<u>9,558</u>	<u>6,932</u>
Excess of Revenues Over (Under) Expenditures	510	7,442	6,932
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$510</u>	<u>\$7,442</u>	<u>\$6,932</u>

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 TITLE VI INNOVATION FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$56,177	\$56,177	\$0
Total Revenues	<u>56,177</u>	<u>56,177</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Fringe Benefits	51	0	51
Supplies and Materials	14,202	6,276	7,926
Capital Outlay	31,530	31,530	0
Total Regular	<u>45,783</u>	<u>37,806</u>	<u>7,977</u>
Total Instruction	<u>45,783</u>	<u>37,806</u>	<u>7,977</u>
Non-Instructional Services:			
Community Services:			
Purchased Services	3,120	120	3,000
Supplies and Materials	400	206	194
Capital Outlay	942	0	942
Total Community Services	<u>4,462</u>	<u>326</u>	<u>4,136</u>
Total Non-Instructional Services	<u>4,462</u>	<u>326</u>	<u>4,136</u>
Total Expenditures	<u>50,245</u>	<u>38,132</u>	<u>12,113</u>
Excess of Revenues Over (Under) Expenditures	<u>5,932</u>	<u>18,045</u>	<u>12,113</u>
Fund Balance at Beginning of Year	<u>870</u>	<u>870</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>1,554</u>	<u>1,554</u>	<u>0</u>
Fund Balance at End of Year	<u>\$8,356</u>	<u>\$20,469</u>	<u>\$12,113</u>

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 DRUG FREE SCHOOL PROGRAM FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$48,150	\$48,150	\$0
Total Revenues	48,150	48,150	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	2,027	2,027	0
Fringe Benefits	140	135	5
Supplies and Materials	39	0	39
Total Regular	2,206	2,162	44
Total Instruction	2,206	2,162	44
Support Services:			
Pupil:			
Salaries and Wages	23,955	23,254	701
Fringe Benefits	1,878	1,627	251
Purchased Services	8,851	7,970	881
Supplies and Materials	7,221	6,992	229
Total Pupil	41,905	39,843	2,062
Total Support Services	41,905	39,843	2,062
Non-Instructional Services:			
Community Services:			
Purchased Services	3,905	3,356	549
Supplies and Materials	2,284	2,254	30
Total Community Services	6,189	5,610	579
Total Non-Instructional Services	6,189	5,610	579
Total Expenditures	50,300	47,615	2,685
Excess of Revenues Over (Under) Expenditures	(2,150)	535	2,685
Fund Balance at Beginning of Year	395	395	0
Prior Year Encumbrances Appropriated	5,641	5,641	0
Fund Balance at End of Year	\$3,886	\$6,571	\$2,685

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 SYSTEMIC GRANT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$151,693	\$151,693	\$0
Total Revenues	151,693	151,693	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	33,315	33,315	0
Fringe Benefits	7,609	5,025	2,584
Purchased Services	30,137	30,137	0
Supplies and Materials	24,629	24,629	0
Total Regular	95,690	93,106	2,584
Total Instruction	95,690	93,106	2,584
Support Services:			
Pupil:			
Salaries and Wages	747	747	0
Fringe Benefits	116	116	0
Purchased Services	4,000	4,000	0
Supplies and Materials	10,810	10,220	590
Total Pupil	15,673	15,083	590
Instructional Staff:			
Salaries and Wages	1,638	1,638	0
Fringe Benefits	253	253	0
Purchased Services	62,088	61,788	300
Supplies and Materials	4,399	3,907	492
Total Instructional Staff	68,378	67,586	792
Total Support Services	84,051	82,669	1,382
Total Expenditures	179,741	175,775	3,966
Excess of Revenues Over (Under) Expenditures	(28,048)	(24,082)	3,966
Fund Balance at Beginning of Year	50,599	50,599	0
Prior Year Encumbrances Appropriated	11,189	11,189	0
Fund Balance at End of Year	\$33,740	\$37,706	\$3,966

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP
 BASIS) AND ACTUAL OTHER FEDERAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$66,635	\$66,635	\$0
Total Revenues	66,635	66,635	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased Services	14,153	14,153	0
Supplies and Materials	13,957	13,957	0
Capital Outlay	4,900	4,598	302
Total Regular	33,010	32,708	302
Special:			
Capital Outlay	3,042	3,042	0
Total Special	3,042	3,042	0
Total Instruction	36,052	35,750	302
Support Services:			
Instructional Staff:			
Salaries and Wages	1,212	1,212	0
Fringe Benefits	187	187	0
Total Instructional Staff	1,399	1,399	0
Administration:			
Salaries and Wages	5,000	5,000	0
Fringe Benefits	1,300	1,300	0
Total Administration	6,300	6,300	0
Business:			
Purchased Services	18,593	18,593	0
Total Business	18,593	18,593	0
Operation and Maintenance of Plant:			
Purchased Services	800	747	53
Total Operation and Maintenance of Plant	800	747	53
Central:			
Purchased Services	3,491	3,478	13
Total Central	3,491	3,478	13
Total Support Services	30,583	30,517	66
Total Expenditures	66,635	66,267	368
Excess of Revenues Over (Under) Expenditures	0	368	368
Other Financing Uses:			
Refund of Prior Year's Receipts	(247)	(247)	0
Total Other Financing Uses	(247)	(247)	0
Excess of Revenue Over (Under) Expenditures and Other Financing Uses	(247)	121	368
Fund Balance at Beginning of Year	247	247	0
Fund Balance at End of Year	\$0	\$368	\$368

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 ALL SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Tuition and Fees	\$41,926	\$41,926	\$0
Interest	29,430	29,430	0
Governmental	3,094,105	3,094,105	0
Extracurricular Activities	512,565	512,565	0
Classroom Materials and Fees	47,722	47,722	0
Miscellaneous	99,150	99,150	0
Total Revenues	3,824,898	3,824,898	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	103,188	100,688	2,500
Fringe Benefits	20,803	15,350	5,453
Purchased Services	57,022	52,570	4,452
Supplies and Materials	360,910	339,801	21,109
Capital Outlay	69,161	66,783	2,378
Other Regular Instruction	2,738	2,738	0
Total Regular	613,822	577,930	35,892
Special:			
Salaries and Wages	383,631	355,229	28,402
Fringe Benefits	93,000	81,535	11,465
Purchased Services	1,046	296	750
Supplies and Materials	18,903	17,180	1,723
Capital Outlay	7,933	7,925	8
Total Special	504,513	462,165	42,348
Vocational:			
Salaries and Wages	104,734	103,885	849
Fringe Benefits	10,160	9,246	914
Purchased Services	34,346	26,822	7,524
Supplies and Materials	85,478	40,580	44,898
Capital Outlay	194,995	164,367	30,628
Total Vocational	429,713	344,900	84,813
Adult/Continuing:			
Salaries and Wages	20,898	20,752	146
Fringe Benefits	3,608	3,245	363
Purchased Services	850	450	400
Supplies and Materials	3,674	2,936	738
Capital Outlay	5,401	5,110	291
Total Adult/Continuing	34,431	32,493	1,938
Total Instruction	1,582,479	1,417,488	164,991

(Continued)

KETTERING CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-BUDGET
(NON-GAAP BASIS) AND ACTUAL
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999
(Continued)

	Revised Budget	Actual	Over/Under
Support Services:			
Pupil:			
Salaries and Wages	187,541	162,984	24,557
Fringe Benefits	71,890	54,790	17,100
Purchased Services	39,799	38,757	1,042
Supplies and Materials	54,996	53,387	1,609
Total Pupil	354,226	309,918	44,308
Instructional Staff:			
Salaries and Wages	162,774	150,850	11,924
Fringe Benefits	38,516	34,214	4,302
Purchased Services	110,509	90,336	20,173
Supplies and Materials	8,769	8,277	492
Capital Outlay	10,945	10,945	0
Total Instructional Staff	331,513	294,622	36,891
Administration:			
Salaries and Wages	146,151	126,592	19,559
Fringe Benefits	32,543	27,542	5,001
Purchased Services	87,521	83,589	3,932
Supplies and Materials	146,596	144,574	2,022
Capital Outlay	66,839	63,986	2,853
Other Administration	46,250	46,250	0
Total Administration	525,900	492,533	33,367
Business:			
Purchased Services	18,593	18,593	0
Total Business	18,593	18,593	0
Operation and Maintenance of Plant:			
Purchased Services	17,375	15,427	1,948
Supplies and Materials	11,605	11,605	0
Other Operation and Maintenance of Plant	4,654	4,654	0
Total Operation and Maintenance of Plant	33,634	31,686	1,948
Pupil Transportation:			
Salaries and Wages	31,324	27,128	4,196
Fringe Benefits	10,375	7,769	2,606
Other Pupil Transportation	729	422	307
Total Pupil Transportation	42,428	35,319	7,109
Central:			
Salaries and Wages	17,814	15,385	2,429
Fringe Benefits	4,567	3,705	862
Purchased Services	14,842	10,826	4,016
Supplies and Materials	5,941	5,941	0
Total Central	43,164	35,857	7,307
Total Support Services	1,349,458	1,218,528	130,930

(Continued)

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 ALL SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999
 (Continued)

	Revised Budget	Actual	Over/Under
Non-Instructional Services:			
Community Services:			
Salaries and Wages	616,506	616,506	0
Fringe Benefits	156,057	156,057	0
Purchased Services	73,054	69,035	4,019
Supplies and Materials	584,690	567,342	17,348
Capital Outlay	56,589	55,485	1,104
Total Community Services	1,486,896	1,464,425	22,471
Total Non-Instructional Services	1,486,896	1,464,425	22,471
Extracurricular Activities:			
Academic and Subject Oriented:			
Purchased Services	693	693	0
Supplies and Materials	41,814	41,814	0
Capital Outlay	850	850	0
Other Academic and Subject Oriented	28,064	28,064	0
Total Academic and Subject Oriented	71,421	71,421	0
Sports Oriented:			
Salaries and Wages	4,030	4,030	0
Fringe Benefits	598	598	0
Purchased Services	87,781	87,781	0
Supplies and Materials	123,809	123,809	0
Capital Outlay	37,484	37,484	0
Other Sports Oriented	17,593	17,593	0
Total Sports Oriented	271,295	271,295	0
School and Public Services:			
Purchased Services	93,963	93,963	0
Supplies and Materials	20,018	20,018	0
Capital Outlay	5,938	5,938	0
Other School and Public Services	28,653	28,653	0
Total School and Public Services	148,572	148,572	0
Total Extracurricular Activities	491,288	491,288	0
Total Expenditures	4,910,121	4,591,729	318,392
Excess of Revenues Over (Under) Expenditures	(1,085,223)	(766,831)	318,392

(Continued)

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 ALL SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999
 (Continued)

	Revised Budget	Actual	Over/Under
Other Financing Sources (Uses):			
Operating Transfers - In	8,000	8,000	0
Advances - In, Initial	275,000	275,000	0
Refund of Prior Year's Receipts	(247)	(247)	0
Advances - Out, Return	(5,200)	(5,200)	0
Total Other Financing Sources (Uses)	<u>277,553</u>	<u>277,553</u>	<u>0</u>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(807,670)	(489,278)	318,392
Fund Balance at Beginning of Year	816,707	816,707	0
Prior Year Encumbrances Appropriated	<u>413,732</u>	<u>413,732</u>	<u>0</u>
Fund Balance at End of Year	<u>\$422,769</u>	<u>\$741,161</u>	<u>\$318,392</u>

CAPITAL PROJECTS FUNDS

The capital projects funds account for the acquisition, construction or improvement of capital facilities other than those financed by proprietary and trust funds.

Permanent Improvement Fund

A fund provided to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5705, Revised Code.

Replacement Fund

A fund provided to account for monies used in the rebuilding, restoration or improvement of property which has been totally or partially destroyed due to any cause.

Vocational Education Equipment Fund

To account for receipts and expenditures involved in the replacement or updating of equipment essential for the instruction of students in job skills.

SchoolNet Plus Fund

A fund provided to account for additional funding targeted for the acquisition of computer workstations in grades K-4.

SchoolNet Fund

A fund provided to account for wiring to all classrooms in the state and to provide a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

KETTERING CITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 ALL CAPITAL PROJECTS FUNDS
 JUNE 30, 1999

	Permanent Improvement	Replacement	Vocational Education Equipment	SchoolNet Plus	SchoolNet	Totals
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$964,343	\$105,864	\$0	\$0	\$10,003	\$1,080,210
Receivables:						
Taxes	678,869	0	0	0	0	678,869
Total Assets	\$1,643,212	\$105,864	\$0	\$0	\$10,003	\$1,759,079
Liabilities and Fund Balances:						
Liabilities:						
Accounts Payable	74,970	0	0	0	0	74,970
Deferred Revenue	657,178	0	0	0	0	657,178
Total Liabilities	732,148	0	0	0	0	732,148
Fund Balances:						
Reserved for Encumbrances	376,154	0	0	0	0	376,154
Reserved for Property Tax	21,691	0	0	0	0	21,691
Unreserved	513,219	105,864	0	0	10,003	629,086
Total Fund Balances	911,064	105,864	0	0	10,003	1,026,931
Total Liabilities and Fund Balances	\$1,643,212	\$105,864	\$0	\$0	\$10,003	\$1,759,079

KETTERING CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL CAPITAL PROJECTS FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Permanent Improvement	Replacement	Vocational Education Equipment	SchoolNet Plus	Schoolnet	Totals
Revenues:						
Taxes	\$647,882	\$0	\$0	\$0.00	\$0.00	\$647,882
Interest	48,979	5,295	18,383	0	0	72,657
Intergovernmental	73,441	0	0	0	53,367	126,808
Miscellaneous	22,867	0	0	0	0	22,867
Total Revenues	793,169	5,295	18,383	0	53,367	870,214
Expenditures:						
Current:						
Instruction:						
Regular	107,182	0	0	285,391	43,364	435,937
Special	0	0	0	5,031	0	5,031
Vocational	0	0	18,383	0	0	18,383
Support Services:						
Fiscal	14,625	0	0	0	0	14,625
Operation and Maintenance of Plant	325,296	1,544	0	0	0	326,840
Transportation	90,000	0	0	0	0	90,000
Facilities Acquisitions and Constructions	1,549,184	0	0	0	0	1,549,184
Total Expenditures	2,086,287	1,544	18,383	290,422	43,364	2,440,000
Excess of Revenues Over (Under) Expenditures	(1,293,118)	3,751	0	(290,422)	10,003	(1,569,786)
Other Financing Sources:						
Proceeds from Sale of Assets	2,884	0	0	0	0	2,884
Gain on Sale of Fixed Assets	108,116	0	0	0	0	108,116
Total Other Financing Sources	111,000	0	0	0	0	111,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(1,182,118)	3,751	0	(290,422)	10,003	(1,458,786)
Fund Balances at Beginning of Year	2,093,182	102,113	0	290,422	0	2,485,717
Fund Balances at End of Year	\$911,064	\$105,864	\$0	\$0	\$10,003	\$1,026,931

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 PERMANENT IMPROVEMENT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Taxes	\$660,777	\$660,777	\$0
Interest	48,979	48,979	0
Intergovernmental	73,441	73,441	0
Miscellaneous	22,867	22,867	0
Total Revenues	806,064	806,064	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Capital Outlay	107,182	107,182	0
Total Regular	107,182	107,182	0
Total Instruction	107,182	107,182	0
Support Services:			
Fiscal Services:			
Purchased Services	7,497	7,497	0
Other Fiscal Services	7,128	7,128	0
Total Fiscal Services	14,625	14,625	0
Operation and Maintenance of Plant:			
Purchased Services	329,404	320,368	9,036
Supplies and Materials	4,338	4,338	0
Capital Outlay	26,530	26,530	0
Total Operation and Maintenance of Plant	360,272	351,236	9,036
Pupil Transportation:			
Capital Outlay	90,000	90,000	0
Total Pupil Transportation	90,000	90,000	0
Total Support Services	464,897	455,861	9,036
Facilities Acquisition and Construction Services:			
Architecture and Engineering Services:			
Purchased Services	1,376,229	1,363,039	13,190
Capital Outlay	536,360	536,360	0
Total Architecture and Engineering Services	1,912,589	1,899,399	13,190
Total Facilities Acquisition and Construction Services	1,912,589	1,899,399	13,190
Total Expenditures	2,484,668	2,462,442	22,226

(Continued)

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 PERMANENT IMPROVEMENT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999
 (Continued)

	Revised Budget	Actual	Over/Under
Excess of Revenues Over (Under) Expenditures	(1,678,604)	(1,656,378)	22,226
Other Financing Sources:			
Proceeds from Sale of Fixed Assets	2,884	2,884	0
Gain on Sale of Fixed Assets	108,116	108,116	0
Total Other Financing Sources	<u>111,000</u>	<u>111,000</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(1,567,604)	(1,545,378)	22,226
Fund Balance at Beginning of Year	1,854,591	1,854,591	0
Prior Year Encumbrances Appropriated	<u>204,005</u>	<u>204,005</u>	<u>0</u>
Fund Balance at End of Year	<u>\$490,992</u>	<u>\$513,218</u>	<u>\$22,226</u>

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 REPLACEMENT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Interest	\$5,295	\$5,295	\$0
Total Revenues	5,295	5,295	0
Expenditures:			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Capital Outlay	1,544	1,544	0
Total Operation and Maintenance of Plant	1,544	1,544	0
Total Support Services	1,544	1,544	0
Total Expenditures	1,544	1,544	0
Excess of Revenues Over (Under) Expenditures	3,751	3,751	0
Fund Balance at Beginning of Year	102,112	102,112	0
Fund Balance at End of Year	\$105,863	\$105,863	\$0

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 VOCATIONAL EQUIPMENT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$18,383	\$18,383	\$0
Total Revenues	18,383	18,383	0
Expenditures:			
Current:			
Instruction:			
Vocational:			
Capital Outlay	18,383	18,383	0
Total Vocational	18,383	18,383	0
Total Instruction	18,383	18,383	0
Total Expenditures	18,383	18,383	0
Excess of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP
 BASIS) AND ACTUAL - SCHOOLNET PLUS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Supplies and Materials	6,259	6,259	0
Capital Outlay	279,132	279,132	0
Total Regular	285,391	285,391	0
Special:			
Capital Outlay	5,031	5,031	0
Total Special	5,031	5,031	0
Total Instruction	290,422	290,422	0
Total Expenditures	290,422	290,422	0
Excess of Revenues Over (Under) Expenditures	(290,422)	(290,422)	0
Fund Balance at Beginning of Year	290,422	290,422	0
Fund Balance at End of Year	\$0	\$0	\$0

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 SCHOOLNET FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$53,367	\$53,367	\$0
Total Revenues	<u>53,367</u>	<u>53,367</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Capital Outlay	43,364	43,364	0
Total Regular	<u>43,364</u>	<u>43,364</u>	<u>0</u>
Total Intruction	<u>43,364</u>	<u>43,364</u>	<u>0</u>
Total Expenditures	<u>43,364</u>	<u>43,364</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	10,003	10,003	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$10,003</u>	<u>\$10,003</u>	<u>\$0</u>

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 ALL CAPITAL PROJECTS FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Taxes	\$660,777	\$660,777	\$0
Interest	54,274	54,274	0
Intergovernmental	145,191	145,191	0
Miscellaneous	22,867	22,867	0
Total Revenues	883,109	883,109	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Supplies and Materials	6,259	6,259	0
Capital Outlay	429,678	429,678	0
Total Regular	435,937	435,937	0
Special:			
Capital Outlay	5,031	5,031	0
Total Special	5,031	5,031	0
Vocational:			
Capital Outlay	18,383	18,383	0
Total Vocational	18,383	18,383	0
Total Instruction	459,351	459,351	0
Support Services:			
Fiscal Services:			
Purchased Services	7,497	7,497	0
Other Fiscal Services	7,128	7,128	0
Total Fiscal Services	14,625	14,625	0
Operation and Maintenance of Plant:			
Purchased Services	329,404	320,368	9,036
Supplies and Materials	4,338	4,338	0
Capital Outlay	28,074	28,074	0
Total Operation and Maintenance of Plant	361,816	352,780	9,036
Pupil Transportation:			
Capital Outlay	90,000	90,000	0
Total Pupil Transportation	90,000	90,000	0
Total Support Services	466,441	457,405	9,036

(Continued)

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 ALL CAPITAL PROJECTS FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999
 (Continued)

	Revised Budget	Actual	Over/Under
Facilities Acquisition and Construction Services:			
Architecture and Engineering Services:			
Purchased Services	1,376,229	1,363,039	13,190
Capital Outlay	536,360	536,360	0
Total Architecture and Engineering Services	1,912,589	1,899,399	13,190
Total Facilities Acquisition and Construction Services	1,912,589	1,899,399	13,190
Total Expenditures	2,838,381	2,816,155	22,226
Excess of Revenues Over (Under) Expenditures	(1,955,272)	(1,933,046)	22,226
Other Financing Sources:			
Proceeds from Sale of Fixed Assets	2,884	2,884	0
Gain on Sale of Fixed Assets	108,116	108,116	0
Total Other Financing Sources	111,000	111,000	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(1,844,272)	(1,822,046)	22,226
Fund Balance at Beginning of Year	2,247,125	2,247,125	0
Prior Year Encumbrances Appropriated	204,005	204,005	0
Fund Balance at End of Year	\$606,858	\$629,084	\$22,226

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Food Service Fund

This fund accounts for the financial transactions related to the food service operations of the School District.

Uniform School Supplies Fund

This fund accounts for the purchase and sale of school supplies for use in the School District. Profits derived from such sales are used for school purposes or activities connected with the school.

Rotary Special Services Fund

A fund provided to account for income and expenses made in connection with goods and services provided by the School District.

Adult School Education Fund

A fund provided to account for transactions made in connection with adult education classes. Receipts include, but not limited to, tuition from patrons and students and reimbursement from the State Department of Education.

KETTERING CITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 ALL ENTERPRISE FUNDS
 JUNE 30, 1999

	Food Service	Uniform School Supplies	Rotary Special Services	Adult School Education	Totals
Assets:					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	\$253,053	\$23,989	\$7,143	\$8,383	\$292,568
Receivables:					
Accounts	0	0	0	978	978
Interfund	0	0	0	13,101	13,101
Intergovernmental	63,975	0	0	1,214	65,189
Inventory for Resale	36,537	0	0	23,422	59,959
Total Current Assets	353,565	23,989	7,143	47,098	431,795
Non-Current Assets:					
Fixed Assets (net, where applicable, of Accumulated Depreciation)	147,175	0	0	28,266	175,441
Total Non-Current Assets	147,175	0	0	28,266	175,441
Total Assets	\$500,740	\$23,989	\$7,143	\$75,364	\$607,236
Liabilities:					
Accounts Payable	2,717	3,355	0	4,644	10,716
Accrued Wages	85,863	0	0	17,470	103,333
Compensated Absences	40,477	0	0	2,366	42,843
Intergovernmental Payable	36,689	0	0	3,926	40,615
Deferred Revenue	36,537	0	0	23,422	59,959
Total Liabilities	202,283	3,355	0	51,828	257,466
Fund Equity:					
Retained Earnings	177,070	20,634	7,143	385	205,232
Contributed Capital	121,387	0	0	23,151	144,538
Total Fund Equity	298,457	20,634	7,143	23,536	349,770
Total Liabilities and Fund Equity	\$500,740	\$23,989	\$7,143	\$75,364	\$607,236

KETTERING CITY SCHOOL DISTRICT
 COMBINING STATEMENTS OF REVENUES,
 EXPENSES AND CHANGES IN FUND EQUITY
 ALL ENTERPRSE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Food Service	Uniform School Supplies	Rotary Special Services	Adult School Education	Totals
Operating Revenues:					
Sales	\$1,257,008	\$65,819	\$13,576	\$12,376	\$1,348,779
Tuition and Fees	0	5,874	0	226,266	232,140
Charges for Services	0	0	9,057	0	9,057
Miscellaneous	130	855	6,581	1,759	9,325
Total Operating Revenues	1,257,138	72,548	29,214	240,401	1,599,301
Operating Expenses:					
Salaries	573,229	0	0	143,214	716,443
Fringe Benefits	240,075	0	0	45,105	285,180
Purchased Services	13,406	0	0	34,763	48,169
Supplies and Materials	74,948	0	0	26,292	101,240
Cost of Sales	755,577	71,277	22,113	17,042	866,009
Other Operating Expenses	3,868	0	0	16,805	20,673
Depreciation	22,852	0	0	5,982	28,834
Total Operating Expenses	1,683,955	71,277	22,113	289,203	2,066,548
Operating Income (Loss)	(426,817)	1,271	7,101	(48,802)	(467,247)
Non-Operating Revenues (Expenses):					
Federal Donated Commodities	73,365	0	0	0	73,365
Intergovernmental	413,774	0	0	9,610	423,384
Interest	6,516	0	0	4	6,520
Loss on Disposal of Fixed Assets	(272)	0	0	(2,847)	(3,119)
Total Non-Operating Revenues (Expenses)	493,383	0	0	6,767	500,150
Net Income (Loss) Before Operating Transfers	66,566	1,271	7,101	(42,035)	32,903
Operating Transfer From Other Funds:					
General Fund	0	0	0	40,000	40,000
Retained Earnings at Beginning of Year	110,504	19,363	42	2,420	132,329
Retained Earnings at End of Year	177,070	20,634	7,143	385	205,232
Contributed Capital at Beginning of Year	121,387	0	0	23,151	144,538
Total Fund Equity at End of Year	\$298,457	\$20,634	\$7,143	\$23,536	\$349,770

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN FUND EQUITY-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 FOOD SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Sales	\$1,257,008	\$1,257,008	\$0
Intergovernmental	399,966	399,966	0
Interest	6,516	6,516	0
Miscellaneous	130	130	0
Total Revenues	<u>1,663,620</u>	<u>1,663,620</u>	<u>0</u>
Expenses:			
Salaries and Wages	616,853	616,853	0
Fringe Benefits	241,321	241,321	0
Purchased Services:			
Operation and Maintenance of Plant	6,907	6,907	0
Food Services Operation	7,373	7,373	0
Supplies and Materials	757,443	757,443	0
Capital Outlay	16,000	16,000	0
Total Expenses	<u>1,645,897</u>	<u>1,645,897</u>	<u>0</u>
Excess of Revenues Over (Under) Expenses	<u>17,723</u>	<u>17,723</u>	<u>0</u>
Fund Equity at Beginning of Year	<u>231,831</u>	<u>231,831</u>	<u>0</u>
Fund Equity at End of Year	<u>\$249,554</u>	<u>\$249,554</u>	<u>\$0</u>

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN FUND EQUITY-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 UNIFORM SCHOOL SUPPLIES FUND
 FOR THE FISCAL YEAR ENDED JUNE 3, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Sales	\$65,819	\$65,819	\$0
Classroom Materials and Fees	5,874	5,874	0
Miscellaneous	855	855	0
Total Revenues	<u>72,548</u>	<u>72,548</u>	<u>0</u>
Expenses:			
Supplies and Materials	<u>81,330</u>	<u>81,330</u>	<u>0</u>
Total Expenses	<u>81,330</u>	<u>81,330</u>	<u>0</u>
Excess of Revenues Over (Under) Expenses	(8,782)	(8,782)	0
Fund Equity at Beginning of Year	5,711	5,711	0
Prior Year Encumbrances Appropriated	<u>13,652</u>	<u>13,652</u>	<u>0</u>
Fund Equity at End of Year	<u>\$10,581</u>	<u>\$10,581</u>	<u>\$0</u>

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN FUND EQUITY-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 ROTARY SPECIAL SERVICES FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Sales	\$13,576	\$13,576	\$0
Classroom Materials and Fees	9,057	9,057	0
Miscellaneous	6,581	6,581	0
Total Revenues	<u>29,214</u>	<u>29,214</u>	<u>0</u>
Expenses:			
Supplies and Materials	<u>23,167</u>	<u>23,167</u>	<u>0</u>
Total Expenses	<u>23,167</u>	<u>23,167</u>	<u>0</u>
Excess of Revenues Over (Under) Expenses	6,047	6,047	0
Fund Equity at Beginning of Year	<u>96</u>	<u>96</u>	<u>0</u>
Fund Equity at End of Year	<u>\$6,143</u>	<u>\$6,143</u>	<u>\$0</u>

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN FUND EQUITY-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 ADULT SCHOOL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Sales	\$12,376	\$12,376	\$0
Tuition and Fees	238,151	238,151	0
Intergovernmental	8,396	8,396	0
Interest	4	4	0
Miscellaneous	4,056	4,056	0
Total Revenues	<u>262,983</u>	<u>262,983</u>	<u>0</u>
Expenses:			
Salaries and Wages	161,880	161,880	0
Fringe Benefits	48,255	48,255	0
Purchased Services	35,702	35,702	0
Supplies and Materials	43,019	43,019	0
Capital Outlay	3,226	3,226	0
Other Expenses	16,805	16,805	0
Total Expenses	<u>308,887</u>	<u>308,887</u>	<u>0</u>
Excess of Revenues Over (Under) Expenses	(45,904)	(45,904)	0
Operating Transfers - In	40,000	40,000	0
Fund Equity at Beginning of Year	6,936	6,936	0
Prior Year Encumbrances Appropriated	<u>3,201</u>	<u>3,201</u>	<u>0</u>
Fund Equity at End of Year	<u>\$4,233</u>	<u>\$4,233</u>	<u>\$0</u>

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN FUND EQUITY-BUDGET (NON-GAAP
 BASIS) AND ACTUAL - ALL ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Sales	\$1,348,779	\$1,348,779	\$0
Tuition and Fees	253,082	253,082	0
Intergovernmental	408,362	408,362	0
Interest	6,520	6,520	0
Miscellaneous	11,622	11,622	0
Total Revenues	2,028,365	2,028,365	0
Expenses:			
Salaries and Wages:			
Food Service	616,853	616,853	0
Adult School	161,880	161,880	0
Total Salaries and Wages	778,733	778,733	0
Fringe Benefits:			
Food Service	241,321	241,321	0
Adult School	48,255	48,255	0
Total Fringe Benefits	289,576	289,576	0
Purchased Services:			
Food Service	14,280	14,280	0
Adult School	35,702	35,702	0
Total Purchased Services	49,982	49,982	0
Supplies and Materials:			
Food Service	757,443	757,443	0
Uniform School Supplies	81,330	81,330	0
Rotary Special Service	23,167	23,167	0
Adult School	43,019	43,019	0
Total Supplies and Materials	904,959	904,959	0
Capital Outlay:			
Food Service	16,000	16,000	0
Adult School	3,226	3,226	0
Total Capital Outlay	19,226	19,226	0
Other Expenses:			
Adult School	16,805	16,805	0
Total Other Expenses	16,805	16,805	0
Total Expenses	2,059,281	2,059,281	0
Excess of Revenues Over (Under) Expenses	(30,916)	(30,916)	0
Operating Transfers - In	40,000	40,000	0
Fund Equity at Beginning of Year	244,574	244,574	0
Prior Year Encumbrances Appropriated	16,853	16,853	0
Fund Equity at End of Year	\$270,511	\$270,511	\$0

KETTERING CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 ALL ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Food Service	Uniform School Supplies	Rotary Special Services	Adult School Education	Totals
Cash Flows from Operating Activities:					
Cash Received from Customers and Users	\$1,257,138	\$72,548	\$29,214	\$254,583	\$1,613,483
Cash Paid to Employees for Services and Benefits	(858,174)	0	0	(210,135)	(1,068,309)
Cash Paid to Suppliers for Goods and Services	(772,092)	(67,922)	(22,167)	(94,604)	(956,785)
Net Cash Provided (Used) by Operating Activities	(373,128)	4,626	7,047	(50,156)	(411,611)
Cash Flows from Investing Activities:					
Earnings on Investments	6,516	0	0	4	6,520
Net Cash Provided by Investing Activities	6,516	0	0	4	6,520
Cash Flows from Noncapital Financing Activities:					
Operating Grants Received	399,966	0	0	8,396	408,362
Operating Transfer from General Fund	0	0	0	40,000	40,000
Net Cash Provided by Noncapital Financing Activities	399,966	0	0	48,396	448,362
Cash Flows from Capital and Related Financing Activities:					
Payments for Capital Acquisitions	(12,132)	0	0	0	(12,132)
Net Cash Used for Capital and Related Financing Activities	(12,132)	0	0	0	(12,132)
Net Increase (Decrease) in Cash	21,222	4,626	7,047	(1,756)	31,139
Cash and Cash Equivalents at Beginnig of Year	231,832	19,363	96	10,138	261,429
Cash and Cash Equivalents at End of Year	\$253,054	\$23,989	\$7,143	\$8,382	\$292,568

(Continued)

KETTERING CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 ALL ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999
 (Continued)

	Food Service	Uniform School Supplies	Rotary Special Services	Adult School Education	Totals
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>					
Operating Income (Loss)	(\$426,817)	\$1,271	\$7,101	(\$48,802)	(\$467,247)
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>					
Depreciation	22,852	0	0	5,982	28,834
Donated Commodities Used During the Year	73,365	0	0	0	73,365
Changes in Assets and Liabilities:					
Decrease in Accounts Receivable	0	0	0	11,884	11,884
Decrease in Interfund Receivable	0	0	0	2,298	2,298
(Increase) in Inventory Held for Resale	(3,213)	0	0	(4,566)	(7,779)
Increase/(Decrease) in Accounts Payable	2,342	3,355	(54)	298	5,941
Increase/(Decrease) in Accrued Wages	(12,719)	0	0	5,936	(6,783)
(Decrease) in Intergovernmental Payable	(1,246)	0	0	(3,150)	(4,396)
(Decrease) in Compensated Absences	(30,905)	0	0	(24,602)	(55,507)
Increase in Deferred Revenue	3,213	0	0	4,566	7,779
Total Adjustments	53,689	3,355	(54)	(1,354)	55,636
Net Cash Provided by (Used for) Operating Activities	<u>(373,128)</u>	<u>4,626</u>	<u>7,047</u>	<u>(50,156)</u>	<u>(411,611)</u>

Non-cash Investing, Capital and Financing Activities:

During the year, the Food Service Enterprise Fund used materials and supplies inventory valued at \$73,365. This inventory was donated to the District and no cash payments were made to acquire the inventory. An expense for this usage was included in the Operating Loss of the fund and therefore, Donated Commodities must be recognized as an adjustment to reconcile to Net Cash Used for Operating Activities.

INTERNAL SERVICE FUND

These funds are used to account for the financing of goods and services provided by one fund to other funds of the District or to other governments on a cost-reimbursement basis.

Employee Benefits Self-Insurance Fund

Accounts for the premiums received and the claims and administrative costs paid by the School District for employee health and dental/vision insurance.

Computer Network Fund

To account for State monies to support library automation products and services.

Dental Insurance

Accounts for the premiums received and the claims and administrative costs paid by the School District for employee dental insurance.

KETTERING CITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 ALL INTERNAL SERVICE FUNDS
 JUNE 30, 1999

	Employee Benefits Self-Insurance	Computer Network	Dental Insurance	Totals
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$51,147	\$795	\$368,623	\$420,565
Total Assets	\$51,147	\$795	\$368,623	\$420,565
Liabilities:				
Claims Payable	16,081	0	112,822	128,903
Total Liabilities	16,081	0	112,822	128,903
Fund Equity:				
Retained Earnings	35,066	795	255,801	291,662
Total Fund Equity	35,066	795	255,801	291,662
Total Liabilities and Fund Equity	\$51,147	\$795	\$368,623	\$420,565

KETTERING CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES,
 EXPENSES AND CHANGES IN FUND EQUITY
 ALL INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Employee Benefits Self-Insurance	Computer Network	Dental Insurance	Totals
Operating Revenues:				
Charges for Services	\$108,448	\$0	\$476,763	\$585,211
Total Operating Revenues	108,448	0	476,763	585,211
Operating Expenses:				
Fringe Benefits	106,011	0	0	106,011
Purchased Services	0	0	476,729	476,729
Total Operating Expenses	106,011	0	476,729	582,740
Operating Income	2,437	0	34	2,471
Non-Operating Revenues:				
Interest	670	0	15,301	15,971
Total Non-Operating Revenues	670	0	15,301	15,971
Net Income	3,107	0	15,335	18,442
Retained Earnings at Beginning of Year	31,959	795	240,466	273,220
Retained Earnings at End of Year	35,066	795	255,801	291,662

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN FUND EQUITY-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 EMPLOYEE BENEFITS SELF-INSURANCE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Charges for Services	\$108,448	\$108,448	\$0
Interest	670	670	0
Total Revenues	<u>109,118</u>	<u>109,118</u>	<u>0</u>
Expenses:			
Fringe Benefits	<u>106,545</u>	<u>106,545</u>	<u>0</u>
Total Expenses	<u>106,545</u>	<u>106,545</u>	<u>0</u>
Excess of Revenues Over (Under) Expenses	2,573	2,573	0
Fund Equity at Beginning of Year	<u>48,574</u>	<u>48,574</u>	<u>0</u>
Fund Equity at End of Year	<u>\$51,147</u>	<u>\$51,147</u>	<u>\$0</u>

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN FUND EQUITY-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 COMPUTER NETWORK INTERNAL SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Charges for Services	\$0	\$0	\$0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenses:			
Fringe Benefits	0	0	0
Total Expenses	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenses	0	0	0
Fund Equity at Beginning of Year	<u>795</u>	<u>795</u>	<u>0</u>
Fund Equity at End of Year	<u>\$795</u>	<u>\$795</u>	<u>\$0</u>

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN FUND EQUITY-BUDGET
 (NON-GAAP BASIS) AND ACTUAL
 DENTAL INSURANCE INTERNAL SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Over/Under
Revenues:			
Charges for Services	\$476,763	\$476,763	\$0
Interest	15,301	15,301	0
Total Revenues	<u>492,064</u>	<u>492,064</u>	<u>0</u>
Expenses:			
Purchased Services	<u>486,702</u>	<u>486,702</u>	<u>0</u>
Total Expenses	<u>486,702</u>	<u>486,702</u>	<u>0</u>
Excess of Revenues Over (Under) Expenses	5,362	5,362	0
Fund Equity at Beginning of Year	<u>363,261</u>	<u>363,261</u>	<u>0</u>
Fund Equity at End of Year	<u>\$368,623</u>	<u>\$368,623</u>	<u>\$0</u>

KETTERING CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 ALL INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Employee Benefits Self-Insurance	Computer Network	Dental Insurance	Totals
<i>Increase (Decrease) in Cash and Cash Equivalents:</i>				
<i>Cash Flows from Operating Activities:</i>				
Cash Received from Customers and Users	\$108,448	\$0	\$476,763	\$585,211
Cash Payments for Claims	(106,545)	0	(486,702)	(593,247)
Net Cash Provided (Used) by Operating Activities	1,903	0	(9,939)	(8,036)
<i>Cash Flows from Investing Activities:</i>				
Earnings on Investments	670	0	15,301	15,971
Net Cash Provided by Investing Activities	670	0	15,301	15,971
Net Increase in Cash	2,573	0	5,362	7,935
Cash and Cash Equivalents at Beginning of Year	48,574	795	363,261	412,630
Cash and Cash Equivalents at End of Year	\$51,147	\$795	\$368,623	\$420,565
 <i>Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:</i>				
Operating Income	2,437	0	34	2,471
<i>Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:</i>				
Increase in Claims Payable	(534)	0	(9,973)	(10,507)
Total Adjustments	(534)	0	(9,973)	(10,507)
Net Cash Provided by (Used for) Operating Activities	\$1,903	\$0	(\$9,939)	(\$8,036)

FIDUCIARY FUND TYPES

Fiduciary 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. These include expendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Expendable Trust Funds

Special Trust Funds

A fund used to account for assets held by a school system in a trustee capacity or as an agent for individuals, private organizations, other governmental and/or other funds.

Non-Expendable Trust Funds

Charles Craig Memorial Fund

This fund is used to account for principal trust amount received and related interest income. The interest portion of the trust can be used for the music department.

Agency Funds

Student Managed Activities Fund

This fund reflects resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

KETTERING CITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 TRUST AND AGENCY FUNDS
 JUNE 30, 1999

	Expendable Trust	Non- Expendable Trust	Agency Student Managed Activities	Totals
	Special Trust	Charles Craig Memorial		
Assets:				
Equity in pooled Cash and Cash Equivalents	\$61,039	\$10,361	\$55,919	\$127,319
Total Assets	\$61,039	\$10,361	\$55,919	\$127,319
Liabilities:				
Accounts Payable	0	0	1,143	1,143
Intergovernmental Payable	0	0	54,776	54,776
Total Liabilities	0	0	55,919	55,919
Fund Equity:				
Fund Balance:				
Reserved for Encumbrances	100	0	0	100
Reserved for Charles Craig Memorial	0	10,000	0	10,000
Unreserved	60,939	361	0	61,300
Total Fund Equity	61,039	10,361	0	71,400
Total Liabilities and Fund Equity	\$61,039	\$10,361	\$55,919	\$127,319

KETTERING CITY SCHOOL DISTRICT
 STATEMENT OF CHANGES IN ASSETS
 AND LIABILITIES
 STUDENT MANAGED ACTIVITIES AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Balance July 1, 1998	Additions	Deductions	Balance June 30, 1999
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$42,864	\$202,673	\$189,618	\$55,919
Total Assets	<u>\$42,864</u>	<u>\$202,673</u>	<u>\$189,618</u>	<u>\$55,919</u>
Liabilities:				
Accounts Payable	362	1,143	362	1,143
Intergovernmental Payable	42,502	54,776	42,502	54,776
Total Liabilities	<u>\$42,864</u>	<u>\$55,919</u>	<u>\$42,864</u>	<u>\$55,919</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

The general fixed assets account group is used to account for all land, buildings, equipment and machinery, furniture and fixtures, and vehicles not used in the operations of the proprietary funds.

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
 AS OF JUNE 30, 1999

General Fixed Assets:	
Land	\$466,616
Buildings and Building Improvements	31,578,194
Furniture, Fixtures and Equipment	<u>7,863,945</u>
Total General Fixed Assets	<u>\$39,908,755</u>

Investment in General Fixed Assets by Source:	
General Fund	3,179,186
Special Revenue Funds	735,731
Capital Projects Funds	18,392,136
Acquired Before July 1, 1991 *	<u>17,601,702</u>
Total Investment in General Fixed Assets	<u>\$39,908,755</u>

*Represents older assets for which fund source cannot practically be obtained.

KETTERING CITY SCHOOL DISTRICT
 SCHEDULE OF GENERAL FIXED ASSETS
 BY FUNCTION AND TYPE
 AS OF JUNE 30, 1999

Function	Land and Land Improvements	Buildings and Building Improvements	Furniture Fixture and Equipment	Total
Instruction:				
Regular	\$458,616	\$16,794,580	\$3,157,472	\$20,410,668
Special	0	0	189,942	189,942
Vocational	0	0	299,122	299,122
Support Services:				
Pupil			62,121	62,121
Instructional Staff	0	0	223,610	223,610
Administration	8,000	205,000	280,581	493,581
Fiscal Services	0	0	49,852	49,852
Business	0	0	304,192	304,192
Operation and Maintenance of Plant	0	0	301,473	301,473
Pupil Transportation	0	0	1,284,133	1,284,133
Central	0	0	430,357	430,357
Extracurricular Activities	0	0	8,057	8,057
Non-Instructional Services	0	0	249,964	249,964
Facilities Acquisitions and Constructions	0	14,578,614	938,428	15,517,042
Other-Pre July 1, 1991 items *	0	0	84,641	84,641
Total General Fixed Assets	\$466,616	\$31,578,194	\$7,863,945	\$39,908,755

*Represents older assets for which function/activity cannot practically be obtained.

KETTERING CITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN GENERAL
FIXED ASSETS BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

Function	Balance at July 1, 1998	Additions	Deductions	Balance at June 30, 1999
Instruction:				
Regular	\$20,237,048	\$176,504	\$2,884	\$20,410,668
Special	176,157	13,785	0	189,942
Vocational	196,446	102,676	0	299,122
Support Services:				
Pupil	37,711	24,410	0	62,121
Instructional staff	223,610	0	0	223,610
Administration	472,910	20,671	0	493,581
Fiscal Services	33,343	16,509	0	49,852
Business	218,792	85,400	0	304,192
Operation and Maintenance of Plant	286,008	15,465	0	301,473
Pupil Transportation	1,250,886	127,197	93,950	1,284,133
Central	374,890	55,467	0	430,357
Extracurricular Activities	8,057	0	0	8,057
Non-Instructional Services	249,964	0	0	249,964
Facilities Acquisitions and Constructions	15,517,042	0	0	15,517,042
Other-Pre July 1, 1991 Items *	589,074	0	504,433	84,641
Total General Fixed Assets	<u>\$39,871,938</u>	<u>\$638,084</u>	<u>\$601,267</u>	<u>\$39,908,755</u>

*Represents older assets for which function/activity cannot practically be obtained.

STATISTICAL SECTION



KETTERING CITY SCHOOL DISTRICT



STATISTICAL TABLES

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

KETTERING CITY SCHOOL DISTRICT, OHIO
GENERAL FUND EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS (1)
1990-1999

TABLE 1

	1999 Fiscal	1998 Fiscal	1997 Fiscal	1996 Fiscal	1995 Fiscal	1994 Fiscal	1993 Fiscal	1992 Fiscal	1991 Fiscal	1990 Fiscal
Instruction	\$27,701,029	\$25,873,143	\$24,781,696	\$24,761,092	\$24,149,420	\$23,611,953	\$23,452,715	\$21,879,652	\$20,451,704	\$20,335,730
Pupil Support	3,339,089	3,171,244	3,081,770	3,140,318	3,005,286	2,844,239	2,621,846	2,510,932	2,159,670	2,123,626
Instructional Staff Support	1,798,145	1,661,116	1,473,362	1,547,427	1,510,380	1,482,578	1,362,338	1,276,274	1,179,118	1,174,899
Board of Education	64,039	55,101	40,665	53,010	47,247	39,769	34,283	40,950	55,083	31,767
Administration	3,462,423	3,438,046	3,147,890	3,478,666	3,167,268	3,231,564	2,935,631	3,044,628	2,709,137	2,960,494
Fiscal Services	960,188	797,455	827,174	691,246	1,083,407	925,837	842,042	887,026	694,127	831,007
Business	760,168	549,380	756,728	560,836	637,721	578,369	435,743	383,486	417,843	526,187
Plant Operations	5,103,205	5,032,322	4,769,614	5,016,837	4,962,948	5,066,232	4,341,451	4,128,192	4,150,503	4,121,027
Pupil Transportation	1,661,214	1,807,120	1,639,472	1,542,442	1,660,123	1,661,888	1,640,208	1,552,578	1,399,513	1,481,197
Central	490,522	651,731	443,963	383,890	411,371	465,725	399,179	448,287	455,720	422,484
Non-Instructional Services	1,827	1,041	1,243	1,270	1,013	1,145	1,424	1,664	842	2,452
Extracurricular Activities	847,790	800,792	730,494	698,747	725,308	698,133	717,657	725,858	659,395	578,925
Capital Outlay	42,210	55,552	50,815	631,991	32,121	28,054	35,556	33,748	50,036	52,430
Debt Service	150,183	147,527	150,183	45,511	23,123	0	0	0	0	0
Other Financing Uses	501,962	210,801	306,119	279,917	51,761	0	0	0	65,000	309,040
Total Expenditures and Other Financing Uses	\$46,935,014	\$44,152,371	\$42,200,178	\$42,733,300	\$41,097,677	\$40,676,516	\$38,820,073	\$36,714,275	\$34,347,691	\$34,651,265

Source: Kettering-Moraine School District Financial Records

(1) 1992, 1993, 1994, 1995, 1996, 1997, 1998 and 1999 fiscal years reported on a GAAP basis; all prior years are reported on a cash basis.

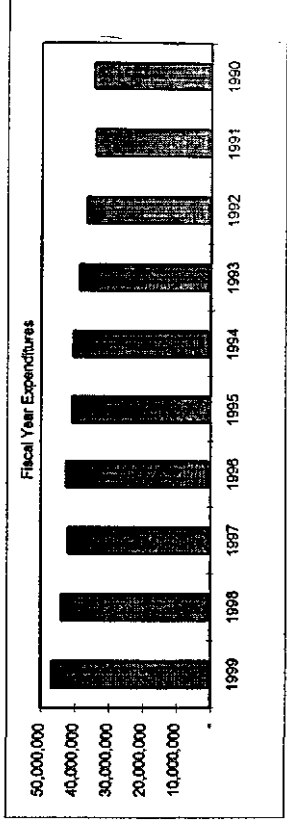


TABLE 2

KETTERING CITY SCHOOL DISTRICT, OHIO
GENERAL FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS (1)

1990-1999

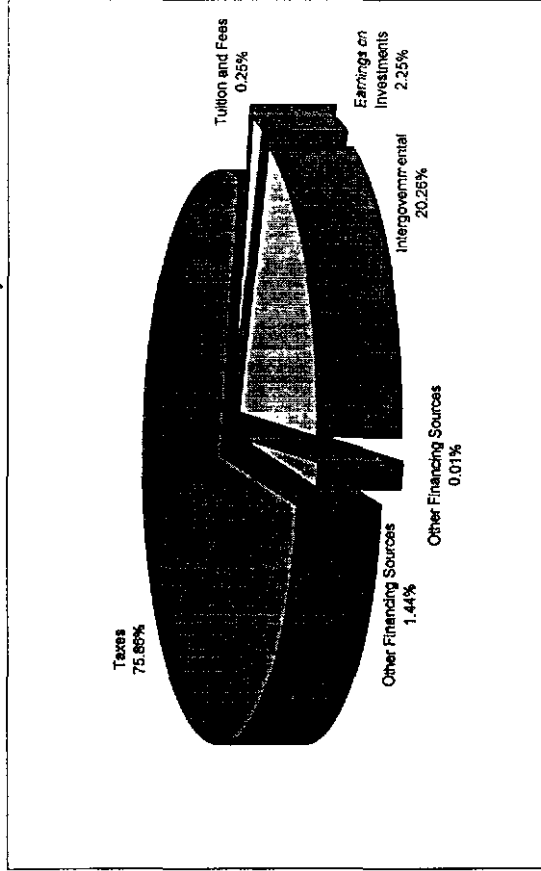
	1998	1998	1997	1996	1995	1994	1993	1992	1991	1990
	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal
Taxes	\$37,044,947	\$36,393,676	\$35,217,070	\$32,556,028	\$30,251,651	\$31,292,741	\$29,460,020	\$32,718,847 (2)	\$27,361,245	\$25,835,976
Tuition and Fees	119,823	43,674	35,829	35,334	38,123	35,346	50,063	58,245	55,855	49,092
Earnings on Investments	1,068,868	1,056,544	812,702	698,862	659,613	449,560	439,610	534,681	566,685	687,598
Intergovernmental	9,895,652	8,896,287	8,667,382	8,157,609	7,939,629	7,850,050	7,891,324	7,537,800	7,618,847	7,072,603
Other Local Revenues	701,472	562,949	354,710	657,106	440,799	294,385	358,525	234,184	633,724	217,183
Other Financing Sources	3,284	11,700	39,800	0	0	0	0	0	0	0
Total Revenues and										
Other Financing Sources	\$48,834,046	\$46,963,839	\$45,127,493	\$42,107,939	\$39,329,715	\$39,822,112	\$38,199,532	\$41,083,737	\$36,238,356	\$33,862,454

Source: Kettering City School District Financial Records

(1) 1992, 1993, 1994, 1995, 1996, 1997, 1998 and 1999 fiscal years reported on a GAAP basis; all prior years are reported on a cash basis.

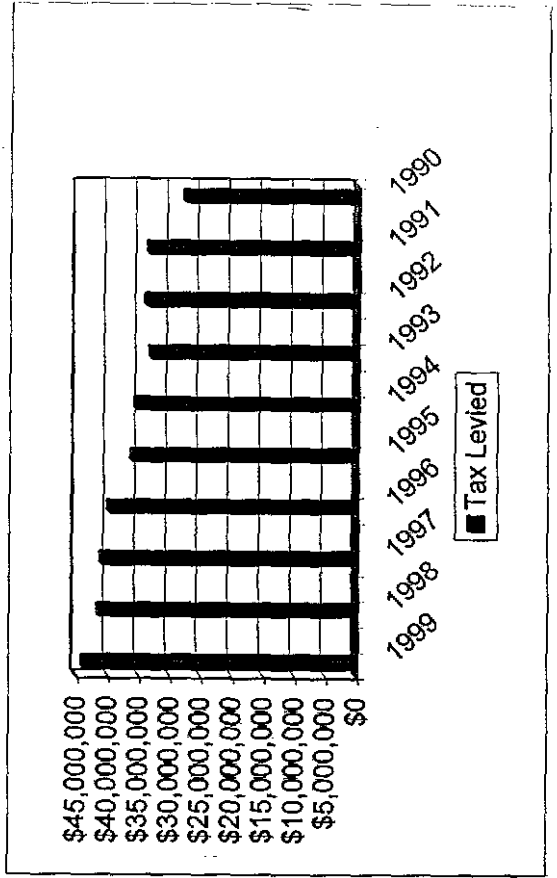
(2) The 19.56% increase in taxes is due to converting from cash basis to GAAP Basis, accounting for taxes receivables.

1999 Fiscal Year Revenues By Source



KETTERING CITY SCHOOL DISTRICT, OHIO
 PROPERTY TAX LEVIES AND COLLECTIONS - REAL, PERSONAL, AND PUBLIC UTILITY PROPERTY
 LAST TEN COLLECTION (CALENDAR) YEARS (1)
 1990-1999

Collection Year	Tax Levied (2)	Current Tax Collections (3)	Percent Collected	Delinquent Collection	Total Tax Collections (3)	Percent of Total Collections To Levy	Outstanding Delinquent Taxes (4)	Percent of Outstanding Delinquent Taxes To Tax Levied
1999	\$43,746,765	\$42,478,593	97.10%	\$1,144,286	\$43,622,879	99.72%	\$1,713,996	3.92%
1998	41,284,309	42,023,033	101.79%	1,150,888	43,173,921	104.58%	1,686,924	4.09%
1997	40,843,160	39,539,747	96.81%	1,688,788	41,228,535	100.94%	1,599,255	3.92%
1996	38,719,917	39,299,492	98.94%	823,389	40,122,881	101.01%	2,929,414	7.38%
1995	35,961,853	35,420,771	98.44%	844,373	36,265,144	100.79%	2,885,789	8.02%
1994	35,468,975	35,344,584	99.65%	1,154,490	36,099,074	101.78%	3,171,797	8.94%
1993	33,079,669	33,418,861	101.03%	1,041,920	34,460,781	104.18%	3,660,740	11.07%
1992	33,776,898	33,368,707	98.79%	1,817,090	35,185,797	104.17%	3,488,380	10.33%
1991	33,490,130	32,669,291	97.55%	582,670	33,251,961	99.29%	4,218,159	12.60%
1990	27,674,516	N/A	0.00%	N/A	28,160,702	101.76%	1,401,372	5.06%

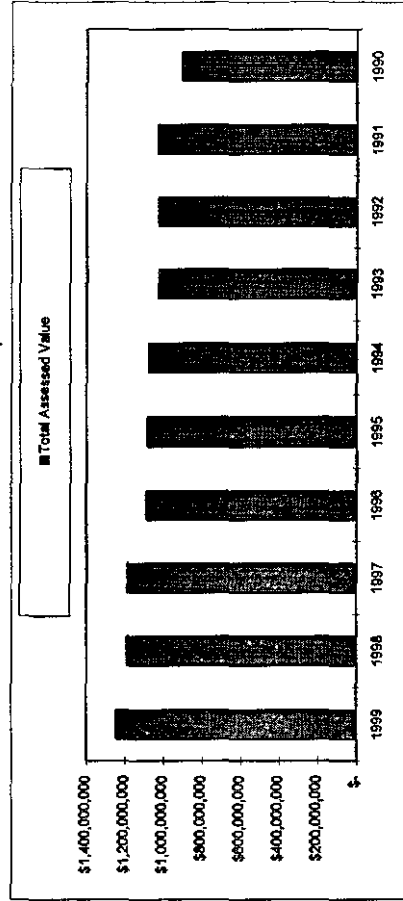


Source: Montgomery County Auditor.

- (1) Current tax and delinquent collections were not available separately for collection year 1990.
- (2) Taxes levied and collected are presented on a cash basis.
- (3) State reimbursements of rollback and homestead exemptions are included; December 1999 settlement estimate included.
- (4) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

KETTERING CITY SCHOOL DISTRICT, OHIO
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 1990-1999

Tax Collection Year	Agricultural, and Residential Real Estate		Commercial, Industrial, and Public Utility Real Estate (1)		Tangible Personal (2)		Public Utility Tangible Personal		Total		Assessed Value Ratio (3)
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1999	\$698,042,250	\$1,994,406,429	\$280,765,230	\$802,166,371	\$185,801,525	\$743,206,100	\$82,582,490	\$93,843,739	\$1,247,191,495	\$3,633,642,639	34%
1998	695,332,700	1,986,664,857	266,738,510	782,110,029	152,159,878	608,559,512	78,310,660	88,989,386	1,192,521,748	3,446,323,784	35%
1997	691,790,430	1,976,544,086	269,455,100	767,014,571	180,415,784	641,663,136	68,122,700	77,412,159	1,188,784,014	3,462,633,952	34%
1996	618,432,810	1,766,950,886	254,466,350	727,132,428	155,505,072	622,020,288	59,239,660	67,317,796	1,087,673,892	3,183,421,398	34%
1995	617,056,940	1,763,019,829	252,017,690	720,050,543	153,873,867	615,495,468	61,652,470	70,059,625	1,084,600,967	3,168,625,464	34%
1994	616,548,630	1,761,567,514	254,794,270	727,983,629	146,219,296	584,877,184	60,018,580	68,202,932	1,077,580,776	3,142,631,259	34%
1993	577,099,540	1,646,655,629	240,499,980	687,142,800	149,196,506	596,786,024	60,194,610	68,391,802	1,026,980,636	3,001,176,255	34%
1992	576,073,660	1,643,067,600	236,539,180	676,826,171	154,878,161	595,685,235	57,947,440	65,849,364	1,024,438,421	2,880,428,370	34%
1991	572,769,220	1,636,540,629	236,661,320	661,889,466	163,897,875	607,399,537	54,793,130	62,264,920	1,030,241,545	2,868,094,572	34%
1990	438,965,380	1,254,186,800	220,639,620	630,970,343	186,985,491	667,805,325	56,985,070	64,755,761	903,775,561	2,617,718,229	35%



Source: Montgomery County Auditor.

(1) Includes Public Utility Real Property.

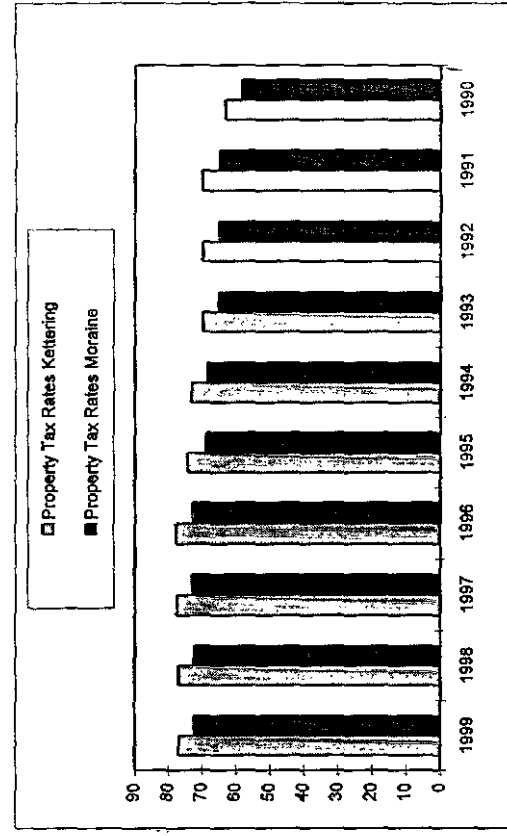
(2) Includes Personal Property \$10,000 exemption.

(3) Ratio represents Total Assessed Value/Total Estimated Actual Value.

TABLE 5

KETTERING CITY SCHOOL DISTRICT, OHIO
 PROPERTY TAX RATES
 DIRECT AND OVERLAPPING GOVERNMENTS
 PER \$1,000 OF ASSESSED VALUE
 LAST TEN YEARS (1)

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Montgomery County	16.64	16.64	16.64	16.64	16.64	16.14	13.65	13.65	13.65	13.69
Dayton/Montgomery County Library	0.26	0.26	0.72	0.72	0.72	0.00	0.00	0.00	0.00	0.00
City of Kettering	6.98	7.00	7.00	7.17	7.17	7.17	7.17	7.25	7.41	7.41
Kettering City School District	53.10	53.10	53.10	53.10	49.80	49.81	48.90	48.90	48.90	42.20
Total for City of Kettering Residents	76.98	77.00	77.46	77.63	74.33	73.12	69.72	69.80	69.96	63.30
City of Moraine	2.5	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Total for City of Moraine Residents	72.5	72.50	72.96	72.96	68.94	68.45	65.05	65.05	65.05	58.39



Sources: Montgomery County Auditor.

(1) Montgomery County property tax rate records are maintained on a calendar/collection year basis.

TABLE 6

KETTERING CITY SCHOOL DISTRICT, OHIO
 RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
 AND NET BONDED DEBT PER CAPITA
 LAST TEN YEARS
 1990-1999

Collection Year	Population (1)	Total Assessed Value (2)	Gross Bonded Debt (3)	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
1999	62,371	\$1,247,191,496	\$15,852,278	\$839,979	\$15,012,299	1.20%	241
1998	62,352	1,192,521,748	16,444,056	763,086	15,680,970	1.31%	251
1997	62,250	1,188,784,014	15,224,732	653,286	14,571,446	1.23%	234
1996	62,190	1,087,673,892	15,612,144	615,901	14,996,243	1.38%	241
1995	61,862	1,084,600,967	15,007,989	714,318	14,293,671	1.32%	231
1994	61,600	1,077,580,776	14,775,000	589,534	14,185,466	1.32%	230
1993	61,405	1,026,980,636	0	0	0	0.00%	0
1992	61,671	1,024,438,421	0	0	0	0.00%	0
1991	61,725	1,030,241,545	0	0	0	0.00%	0
1990	61,769	903,775,561	0	0	0	0.00%	0

Sources:

(1) Census data for 1990, estimates from the Cities of Kettering and Moraine.

(2) Montgomery County Auditor, calendar year basis.

(3) Fiscal Year 1992 is the first year reported on a GAAP basis. All prior years are reported on a cash basis.

KETTERING CITY SCHOOL DISTRICT, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 1989

Assessed Valuation of District \$1,247,191,495

Overall Direct Debt Limitation

Direct debt limitation 9% of assessed valuation	\$112,247,235
Amount available in Debt Service Fund	839,979
Gross indebtedness	15,892,278
Less: Debt exempt from limitation	(1,862,278)
Debt subject to 9% limitation	(14,030,000)
Legal debt margin with 9% limitation	<u>\$99,057,214</u>

Unvoted Direct Debt Limitation

Unvoted debt limitation 0.1% of assessed valuation	\$1,247,192
---	-------------

Amount available in Debt Service Fund related to unvoted debt 0

Gross indebtedness authorized by the Board	15,892,278
Less: Debt exemption from limitation	(15,530,000)

Debt subject to 0.1% limitation (362,278)

Legal debt margin within 0.1% limitation \$894,914

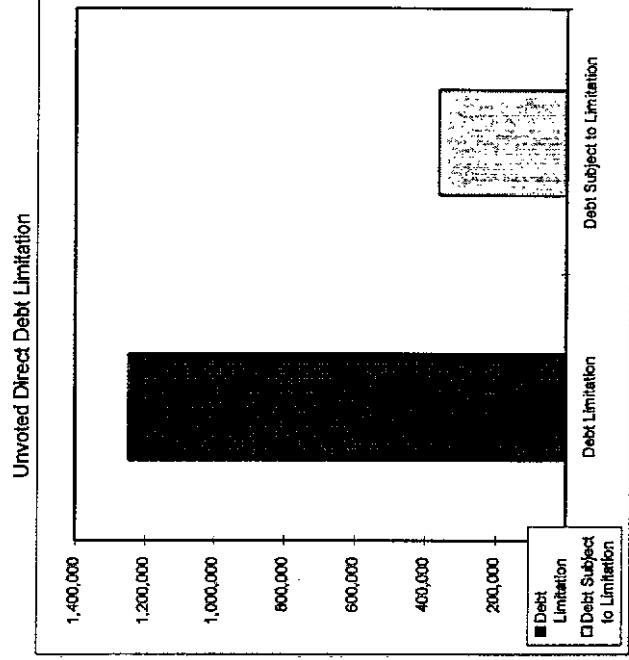
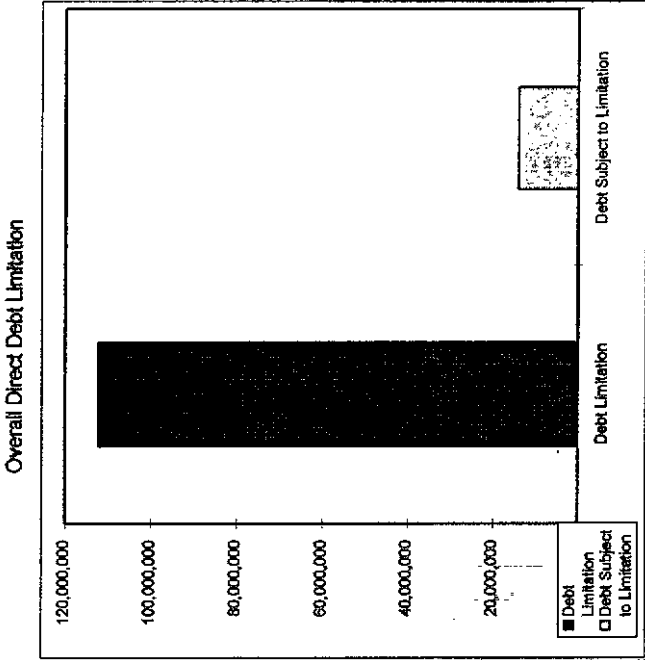
Energy Conservation Bond Limitation

Ohio Revised Code Section 133.042

Debt Limitation	
0.9% of assessed valuation	\$11,224,724
Energy Conservation Bonds Authorized by the Board	(1,460,000)

Energy conservation notes authorized by the Board (40,000)

Legal debt margin within 0.9% limitation \$9,724,724



Source: Kettering City School District records.

KETTERING CITY SCHOOL DISTRICT, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 June 30, 1999

TABLE 8

Governmental Unit	Gross General Obligation	Percent Applicable to District	Amount Applicable to District
Direct:			
Kettering City School District	\$15,852,278	100.00%	\$15,852,278
Overlapping:			
Montgomery County	22,526,321	14.84%	3,342,906
City of Kettering	11,622,361	81.52%	9,474,549
City of Moraine	0	18.48%	0
Total overlapping:	34,148,682		12,817,455
Total direct and overlapping debt:	\$50,000,960		\$28,669,733

Source: Montgomery County Auditor.

OVERLAPPING DEBT APPLICABLE TO DISTRICT

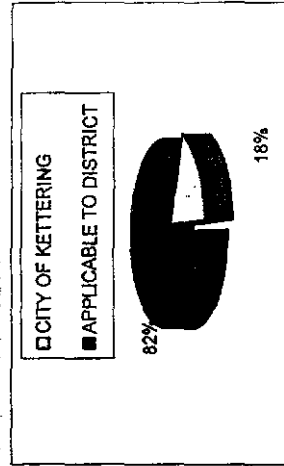
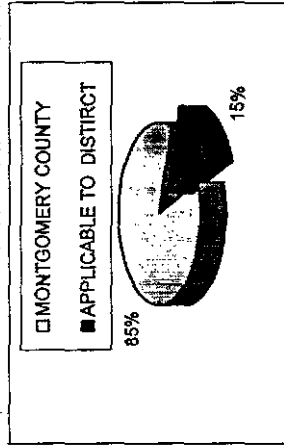


TABLE 9

KETTERING CITY SCHOOL DISTRICT, OHIO
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
 FOR GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
 LAST TEN FISCAL YEARS (1)
 1990-1999

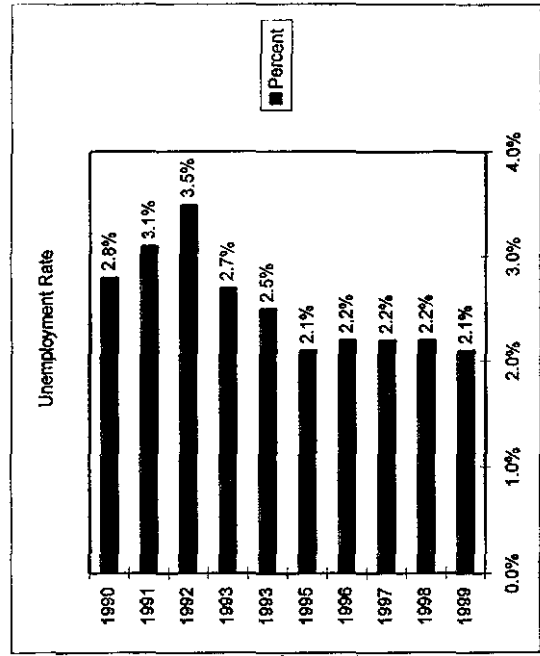
Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures and Other Financing Uses	Ratio of Debt Service to General Fund Expenditures (%)
1999	\$591,778	\$885,977	\$1,477,755	\$46,935,014	3.15%
1998	403,176	824,195	1,227,371	44,152,371	2.78%
1997	387,442	841,503	1,228,945	42,200,178	2.91%
1996	275,561	826,586	1,102,147	42,733,300	2.58%
1995	7,011	805,878	812,889	41,097,877	1.98%
1994	0	267,918	267,918	40,676,516	0.66%
1993	0	0	0	38,820,073	0.00%
1992	0	0	0	36,714,275	0.00%
1991	0	0	0	34,347,691	0.00%
1990	0	0	0	34,651,265	0.00%

Source: Kettering City School District records.

(1) 1992, 1993, 1994, 1995, 1996, 1997, 1998 and 1999 fiscal years reported on a GAAP basis. All prior fiscal years are reported on a cash basis.

KETTERING CITY SCHOOL DISTRICT, OHIO
 DEMOGRAPHIC STATISTICS
 LAST TEN YEARS
 1990-1999

Year	Population (1)(5)	School Enrollment (2)	Per Capita Income (3)(5)	Unemployment Rate (4)(5)
1999	62,371	8,031	25,956	2.1%
1998	62,352	8,041	25,447	2.2%
1997	62,250	8,061	24,948	2.2%
1996	62,190	7,991	23,988	2.2%
1995	61,862	7,954	23,066	2.1%
1994	61,600	7,921	22,186	2.5%
1993	61,405	7,794	21,478	2.7%
1992	61,671	7,676	20,853	3.5%
1991	61,725	7,542	19,229	3.1%
1990	61,769	7,520	18,349	2.8%



Sources:

- (1) Based on census data for 1990. All other years are estimates from the Cities of Kettering and Moraine; includes an estimated 1,371 population from the portion of the City of Moraine which is in the Kettering City School District.
- (2) Kettering City School District Records.
- (3) Data for the City of Kettering, Ohio from Department of Planning and Development; 1999 projected.
- (4) Data for the City of Kettering, Ohio from Ohio Bureau of Employment Services; 1999 as of June; all other years as of December.
- (5) Prior year amounts have been restated to reflect current available information.

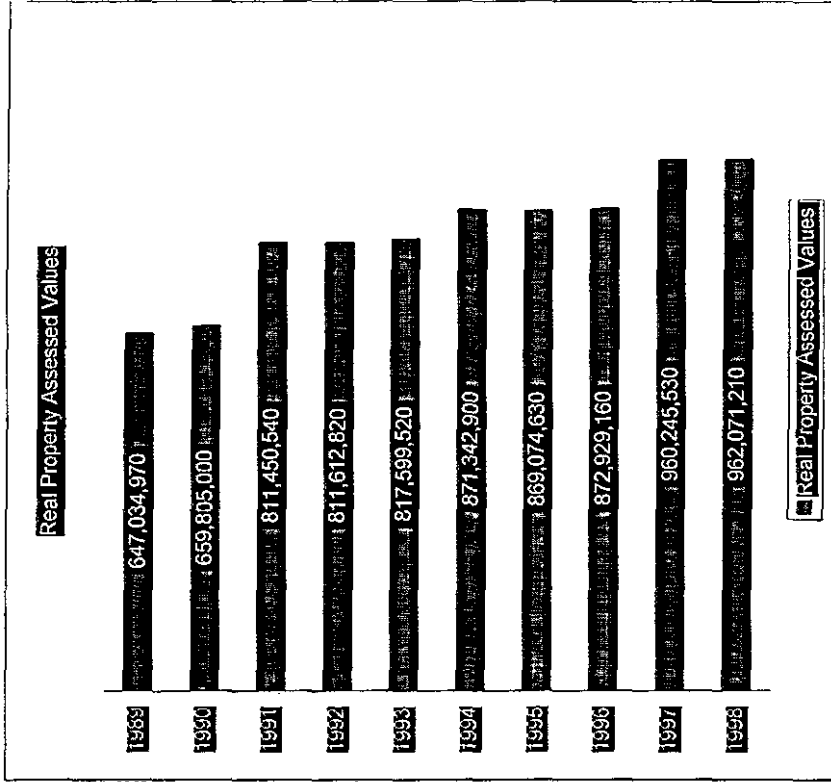
KETTERING CITY SCHOOL DISTRICT, OHIO
 CONSTRUCTION, BANK DEPOSITS, AND PROPERTY VALUES
 LAST TEN COLLECTION (CALENDAR) YEARS
 1989-1998

TABLE 11

Collection Year	Residential Construction (1)	Commercial Construction (1)	Bank Deposits (2) In Thousands	Real Property Assessed Values (3)
1998	\$10,590,067	\$25,430,152	\$3,264,705	\$962,071,210
1997	8,889,562	82,833,051	3,530,314	960,245,530
1996	8,555,747	40,184,215	3,899,145	872,929,160
1995	7,777,188	26,306,619	3,995,114	869,074,630
1994	4,431,111	28,871,108	4,034,766	871,342,900
1993	7,008,075	12,563,963	3,834,335	817,599,520
1992	5,385,151	9,112,603	4,068,798	811,612,820
1991	2,874,578	10,748,963	6,728,755	811,450,540
1990	5,789,405	11,379,143	5,701,107	659,805,000
1989	6,287,869	16,699,622	4,415,294	647,034,970

Sources:

- (1) City of Kettering, Ohio, Department of Planning and Development.
- (2) Federal Reserve Bank of Cleveland - amounts are for Montgomery County.
- (3) Montgomery County Auditor, calendar year basis.



KETTERING CITY SCHOOL DISTRICT, OHIO
 TOP TEN PRINCIPAL TAXPAYERS
 June 30, 1999

Name of Taxpayer	Type of Business	Real Property Assessed Valuation	Personal Property Assessed Valuation	Total Assessed Valuation	% of Total Assessed Valuation
General Motors Corporation (1)	Automotive manufacturer	\$28,182,110	\$76,644,110	\$104,826,220	8.40%
Dayton Power and Light	Gas and electric utility	0	68,255,850	68,255,850	5.47%
Ohio Bell	Telephone utility	0	14,696,540	14,696,540	1.18%
Softex Digital Printing, Inc.	Digital printing	0	9,542,380	9,542,380	0.77%
Meijer, Inc.	Retail sales	3,874,990	1,792,120	5,667,110	0.45%
Dayton Town & Country, Inc.	Property management	4,382,110	0	4,382,110	0.35%
W. B. Apartment Association	Property management	4,310,390	0	4,310,390	0.35%
Lincoln Park Associates	Retirement facility	3,920,250	0	3,920,250	0.31%
Miami Valley Research	Foundation research	3,219,660	0	3,219,660	0.26%
Georgetown Apartments, Ltd.	Property management	3,153,590	0	3,153,590	0.25%
Sub-Total		51,043,100	170,931,000	221,974,100	17.80%
All Others		927,764,380	97,453,015	1,025,217,395	82.20%
Grand Total		\$978,807,480	\$268,384,015	\$1,247,191,495	100.00%

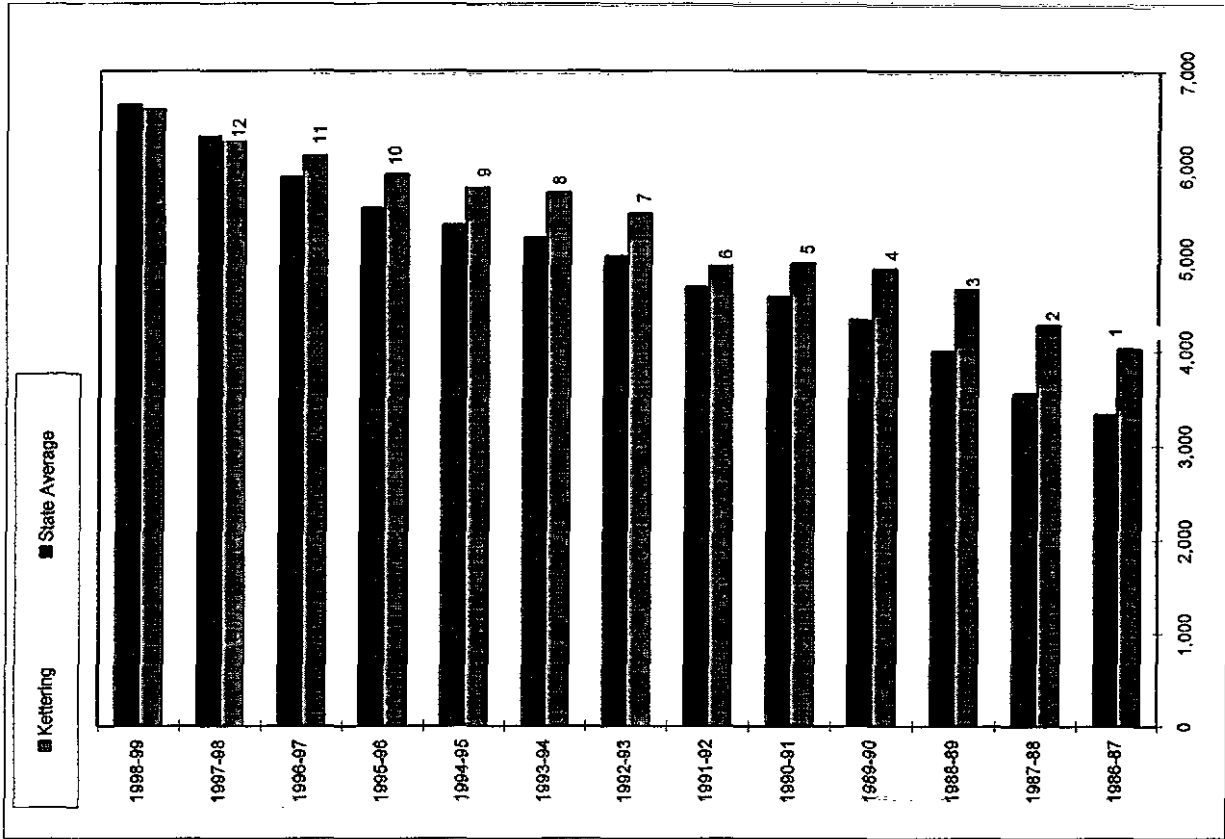
Source: Montgomery County, Ohio, Auditor's Office.

(1) Includes Delphi Automotive

KETTERING CITY SCHOOL DISTRICT, OHIO
 COST TO EDUCATE A 1998 GRADUATE
 June 30, 1999

TABLE 13

School Year	Grade	All Funds Cost Per Pupil	
		Kettering City	State Average
1986-87 (1)	K	2,015	1,669
1987-88	1	4,284	3,563
1988-89	2	4,663	4,004
1989-90	3	4,890	4,338
1990-91	4	4,948	4,585
1991-92	5	4,914	4,685
1992-93	6	5,486	5,024
1993-94	7	5,711	5,216
1994-95	8	5,761	5,353
1995-96	9	5,905	5,545
1996-97	10	6,104	5,876
1997-88	11	6,256	6,307
1998-99	12	6,591	6,642
TOTAL		\$67,526	\$62,807



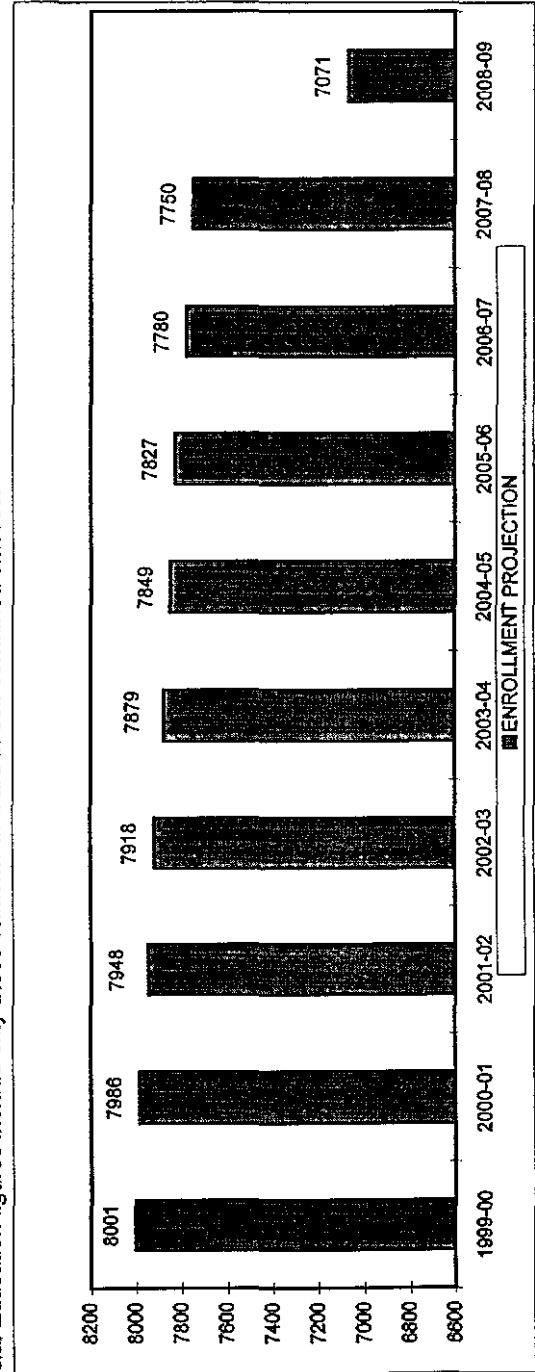
Source: Kettering City School District Records.

(1) Cost per pupil reduced 50% to reflect half day kindergarten sessions.

KETTERING CITY SCHOOL DISTRICT, OHIO
 ENROLLMENT PROJECTION BY GRADE
 JUNE 30, 1999

Actual	K	1	2	3	4	5	6	7	8	9	10	11	12	Sp.Ed.*	Total
1995-96	629	658	627	636	642	645	662	615	619	615	626	535	467	15	7991
1996-97	635	642	646	663	615	631	641	663	618	633	578	640	438	18	8061
1997-98	613	642	633	625	647	610	626	640	630	637	604	589	535	14	8045
1998-99	577	592	641	621	637	646	616	634	612	636	615	631	473	15	7946
The following are projections:															
1999-00	586	598	605	628	635	620	642	618	627	637	626	639	525	15	8001
2000-01	606	592	584	605	629	631	620	649	612	631	629	636	547	15	7986
2001-02	606	614	578	584	605	624	630	627	643	616	623	639	544	15	7948
2002-03	606	614	600	578	584	601	626	637	621	648	608	633	547	15	7918
2003-04	606	614	600	600	578	579	598	633	631	625	640	618	542	15	7879
2004-05	606	614	600	600	600	573	579	604	627	635	617	650	529	15	7849
2005-06	606	614	600	600	600	595	573	585	598	631	627	627	556	15	7827
2006-07	606	614	600	600	600	595	593	579	579	602	623	637	537	15	7780
2007-08	606	614	600	600	600	595	593	599	573	583	594	633	545	15	7750
2008-09	541	544	536	535	537	532	525	528	569	560	548	569	532	15	7071

* Special Education figures include only those students that are in self contained classes.



KETTERING CITY SCHOOL DISTRICT, OHIO
 DIRECTORY OF SCHOOL FACILITIES
 JUNE 30, 1998

TABLE 15

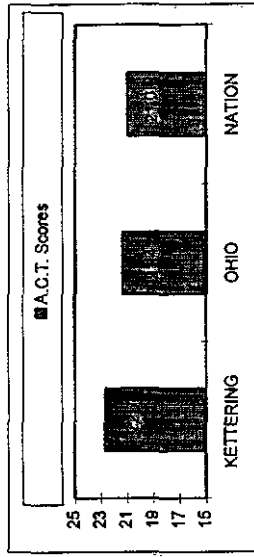
Facility	Address	Administrator	Grades	1998-99 Enrollment
Beavertown Elementary School	2700 Wilmington Pike	Mr. Norman Knowlton	K-5	397
Greenmont Elementary School	1 East Wren Circle	Mr. Thomas Tudor	K-5	389
Indian Rifle Elementary School	3090 Glengarry Drive	Mr. Michael Pittman	K-5	533
J. F. Kennedy Elementary School	5030 Polen Drive	Mr. George Caras	K-5	599
Moraine Meadows Elementary School	2600 Holman Street	Ms. Margaret Engelhardt	K-5	187
Oakview Elementary School	4001 Ackerman Boulevard	Dr. Ronald Sinclair	K-5	420
Orchard Park Elementary School	600 East Dorothy Lane	Mr. David Timpone	K-5	325
J. E. Prass Elementary School	2601 Parklawn Drive	Mr. Richard Bowden	K-5	411
Southdale Elementary School	1200 West Dorothy Lane	Ms. Valerie Browning	K-5	453
Kettering Middle School	3000 Glengarry Drive	Ms. Kimberlee Gray	6-8	1,146
Van Buren Middle School	3775 Shroyer Road	Mr. Lowell Vorpe	6-8	716
Kettering Fairmont High School	3301 Shroyer Road	Dr. James Schoenlein	9-12	2,370
Buildings and Grounds Department	2636 Wilmington Pike	Mr. Richard Russell		
Transportation and Bus Garage	2640 Wilmington Pike	Mr. Jeffrey Rush		
Kettering Adult School	3750 Far Hills Avenue	Mr. John Tomoser		
Central Administration Building	3750 Far Hills Avenue	Superintendent Dr. Robert Mengerink		

Source: Kettering City School District records.

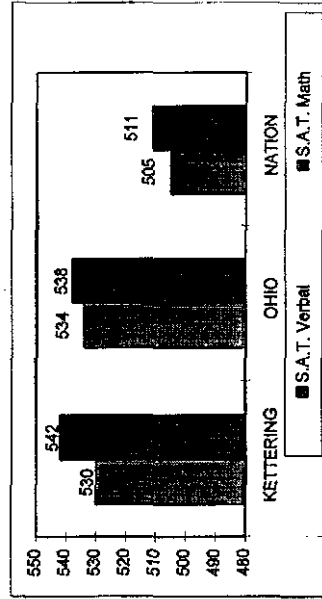
KETTERING CITY SCHOOL DISTRICT, OHIO
STUDENT TEST SCORES SUMMARY
JUNE 30, 1999

PROFICIENCY TEST	PERCENT MEETING STATE STANDARDS		
	4TH GRADE (1)	6TH GRADE (1)	9TH GRADE (1) (2) 9TH GRADE (3)
WRITING	75.7%	83.2%	95.1%
READING	72.7%	57.6%	93.3%
MATHEMATICS	64.4%	60.2%	77.1%
CITIZENSHIP	82.8%	75.1%	87.2%
SCIENCE	64.7%	49.2%	85.2%

AMERICAN COLLEGE TEST (ACT) (4) (5)	SCORE
KETTERING	22.7
OHIO	21.4
NATION	21.0



SCHOLASTIC APTITUDE TEST (SAT) (5)	MEAN SCORE
VERBAL	
KETTERING CITY	530
OHIO	534
NATION	505
MATHEMATICS	
KETTERING CITY	542
OHIO	538
NATION	511



Source: Kettering City School District Records.

- (1) Percentages represent Kettering City students scoring at or above the State passing standard for each of the five sub-tests.
- (2) The 8th grade Proficiency Test is administered to students in the 8th grade.
- (3) Percentages include 10th grade students retaking the test.
- (4) Required for admission to Ohio colleges and universities
- (5) Represent district's most recent figures, which are 1998-99 test scores.

KETTERING CITY SCHOOL DISTRICT, OHIO
 MISCELLANEOUS STATISTICS
 JUNE 30, 1999

TABLE 17

Date Formed	June 26, 1841
Form of Government	Five member Board of Education
Population	62,371
Area	21.3 Square Miles
Full-time Equivalent Staff	791.76
Certificated (FTE)	533.53
Classified (FTE)	258.23
Average Years Teaching Experience	13.9
Average Teacher Training	Master's Degree
Student Enrollment	7,946
Facilities	15
Elementary Schools (K-5)	9
Middle Schools (6-8)	2
Senior High School (9-12)	1
Maintenance Building	1
Transportation Building	1
Central Office/Adult School	1
Cost per Pupil (1)	6,591

Sources:

Kettering City School District Records.
 City of Kettering, Ohio, Department of Planning and Development.
 City of Moraine, Ohio, Department of Planning.



STATE OF OHIO
OFFICE OF THE AUDITOR

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800-282-0370

Facsimile 614-466-4490

KETTERING 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 14, 2000**