

**Fiscal Year Ended
June 30, 2009**



*In our commitment to excellence,
London City Schools will provide high quality education to prepare every
student for life's challenges and opportunities in an ever-changing world.*

Comprehensive Annual Financial Report

London City School District- Board of Education

Issued by:

Office of the Treasurer

Britt R. Lewis

Treasurer/Chief Financial Officer



Mary Taylor, CPA

Auditor of State

Board of Education
London City School District
60 South Walnut Street
London, Ohio 43140

We have reviewed the *Independent Auditor's Report* of the London City School District, Madison County, prepared by Kennedy Cottrell Richards LLC, for the audit period July 1, 2008 through June 30, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Mary Taylor, CPA
Auditor of State

March 22, 2010

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LONDON CITY SCHOOL DISTRICT

LONDON, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Issued by:

Treasurer's Office

Britt R. Lewis, Treasurer/Chief Financial Officer



INTRODUCTORY SECTION



*London City School District
Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2009*

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LONDON CITY SCHOOLS

60 SOUTH WALNUT STREET • LONDON, OHIO 43140 • TEL: 740-852-5700
• FAX: 740-852-7360 • WWW.LONDON.K12.OH.US

January 20, 2010

Board of Education Members and Residents of the London City School District:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the London City School District for the fiscal year ended June 30, 2009. This CAFR, which includes financial statements and other financial and statistical data, conforms to generally accepted accounting principles as applicable to governmental entities. The intent of this report is to provide the taxpayers of the London City School District with comprehensive financial and statistical data in a format that enables them to gain a true understanding of the School District's financial affairs as well as provide management with better financial information for future decision making.

State law requires that every school district file with the Auditor of State of Ohio and publish the availability of financial statements within 150 days of the close of each fiscal year. The basic financial statements from this report were filed to fulfill that requirement for the fiscal year ended June 30, 2009. The School District has elected to prepare and publish a CAFR in the belief that the additional data contained in the report provides important information that helps a reader understand more fully the financial condition of the School District.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Kennedy, Cotrell, Richards, CPA, LLC have issued an unqualified ("clean") opinion on the London City School District's financial statements for the fiscal year ended June 30, 2009. The independent auditor's report is located at the front of the Financial Section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. Management's discussion and analysis complements this letter of transmittal and should be read in conjunction with it.

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

FORMATION OF THE SCHOOL DISTRICT

The School District known as London City School District is located in the central area of Ohio, within Madison County, and encompasses 54 square miles. The School District includes the City of London and the Townships of Deer Creek, Somerford, and portions of Union Township. The City of London is located approximately 20 miles southwest of Columbus, Ohio. The School District is bordered on the west by Clark County, the east by Jefferson Local School District, the south by Madison Plains Local School District and shares another border to the north with the Jonathan Alder Local School District.

London City's first known school, opened in 1815, was located at the corner of North Oak and Fourth Street. The second school opened was located in the old log courthouse that was constructed in 1816. This school opened in 1824 and was named Union School. It was located on the southeast corner of Union and Second Street. London Academy was opened in 1845 and served the students attending Union Street School. The students that lived south of High Street (previously known as Main Cross Street) attended Union Street and London Academy. Students living north of High Street attended Oak Street School.

On April 3, 1852 London Union School District organized into a single school system, under the "Akron Law" passed in the general session of 1852. The "Akron Law", also known as the "Akron School Law", fully recognized the great doctrine that the property of the State should educate the children of the State. This meant a free public education for all children in the State of Ohio. Union Township Schools, previously known as: Allen, Hamm, Infirmary, Lower Glade School (corner of Georgesville-Glade Run Road now known as State Route 665), Oak Grove School (London-Charleston Pike), Oak Run School (Old Springfield Road) Payne School (Payne Road, now Payne-Thompson Road.), London Schools, Morrisey, Colored School (Center Street), Academy (North Main Street), Graham School (Armstrong Road), were all consolidated into the London Union School District. The London Union School District was also known as the London Village School District from the late 1800's until 1936 when it became known as the London Exempted Village School District. There were a total of 91 one-room school houses in Madison County according to the Historical Society in 1883.

The law required school boards to establish one or more separate schools for African-American children. If there were more than 30 African-American students, the School District could integrate if no one parent objected. The original school building named the Colored School was opened in 1852. It was located on Fourth Street near the Colored Baptist Church. A new one-story brick building named Center Street School opened for African-American students in 1873 and remained open until 1889, when the students were transferred and integrated into the Central School. It was 65 years later, in 1954, when Brown versus Board of Education of Topeka, Kansas ruled segregation in public schools was unconstitutional. The London Union School District was progressive, innovative and inclusive long before it was mandated by law.

Central School was dedicated June 21, 1867. It served grades one through eight and three years of high school (Freshman, Junior and Senior). Charter was granted to London Schools in 1902. The Schools consisted of Central School, West High Street School and Center Street School. In 1906 the High School joined the North Central Association of Colleges and Secondary Schools for accreditation. The Central School was remodeled during the construction of the new High School in 1912. The London High School formally opened in May 1913. The VoAg building (currently London Academy) was opened in 1939. The temporary Steel Building (currently the Board of Education Office) located behind the Central School was opened for Kindergarten in 1954 due to overcrowding in the Central School. The two Townships of Deer Creek and Somerford consolidated with the London Union School District and formed the London City School District, also known as London City Schools, in 1958. The Deer Creek School, opened in 1906, changed its name to Deercreek Building of London City Schools. The Somerford School, opened in 1939, changed its name to Somerford Building of London City Schools. The Primary Building was completed in 1961. The bus garage was built in 1980.

The new London High School, opened in 1981, is located on State Route 38. That same year the Central School was renamed London Elementary School. The old High School was renamed London Middle School and the Primary School remained the same. London City Schools entered into the Classroom Facilities Accelerated Program (CFAP) agreement with the Ohio Schools Facilities Commission (OSFC) in 2001, to complete a Master Plan to renovate and construct new facilities to address the needs of students' learning environment. As part of the Master Plan it was determined to close Deercreek Elementary, Somerford Elementary and London Elementary and consolidate all elementary students to one new Elementary Building. The new London Elementary School opened in 2004, directly adjacent and attached to the London High School. Currently London City Schools is in the second phase of the CFAP program, with the OSFC to complete the new London Middle School, which is projected to open in the fall of 2011. As part of the OSFC project, London High School will continue renovations, to be completed by fall 2011. The Central School was closed in 2004 and leveled in 2009 as part of the OSFC project. The Somerford Elementary School was sold at auction in 2006 and Deercreek Elementary was deeded back to Deer Creek Township as part of the original land use clause. The London Middle School will be located directly across the street from the London High School and London Elementary School Campus. The property for the new London Middle School was obtained in a land trade with the City of London. The City of London will receive all buildings and property at the downtown campus, the original site of the Central Building and old London High School. When the OSFC project is completed, London High School, London Elementary School and London Middle School will all be located as one campus separated by State Route 38.

The School District today serves a student population of 2,108, within its three schools. The School District not only serves its regular education population daily, but has a large population of special needs children from Pre-Kindergarten through Twelfth grade within the School District. These students are served in the School District's new configuration with London Elementary School (Pre-Kindergarten through fifth grade), London Middle School (sixth through eighth grade), and London High School (ninth through twelfth grade).

While the City of London is growing, we still value that small town atmosphere where everyone is known and respected. We are dedicated to providing a safe, warm, caring, and academically challenging experience for every child. Another of our positive characteristics is that our School District is comprised of a diverse population, similar to the composite demographics of our nation as a whole. As a result, upon graduation, our students are well prepared socially to deal with the diversity in our society that adults have to face every day. The London City Schools also embrace continuous improvement. We are constantly analyzing our academic data and targeting areas for change, with our goal of success for every child. Through our academic and co-curricular programs, we expect all students to learn the academic, social, and personal skills needed to be ethical, responsible, contributing citizens of our world. London has a proud heritage and our Board of Education, administration, teachers, and support staff who cooperate and collaborate to ensure that we build on that heritage and that our families will always be proud of the quality education their children receive.

FORM OF GOVERNMENT AND REPORTING ENTITY

The London City School District (the “School District”) is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four-year terms. The School District provides educational services as authorized by State statute and/or federal guidelines.

The Current Board members, their terms and years on the Board as of June 30, 2009, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years Served</u>
Mr. Curtis Brooks	Jan. 2007 - Dec. 2010	2 ½
Mrs. Melissa Canney	Jan. 2006 - Dec. 2009	6 ½
Ms. Vicijean Geer	Jan. 2007 - Dec. 2010	9 ½
Mr. Eric Schooley	Jan. 2006 - Dec. 2009	2 ½
Mrs. Nancy Smith	Jan. 2006 - Dec. 2009	15 ½

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations of the School District. D. Steven Allen was appointed Superintendent August 1, 2006 through July 31, 2009 and was renewed for a three-year term, August 1, 2009 through July 31, 2012. The Treasurer is the chief financial officer of the School District and is directly responsible to the Board for all financial operations, investments, and custody of all School District funds and assets along with many business related duties. The Treasurer also serves as Secretary to the Board. Mr. Britt R. Lewis was appointed Treasurer, effective January 1, 2007, through December 31, 2008. In an effort to meet new legislation regarding treasurer contracts, the Board extended the Treasurer’s contract for a one year and seven month term, January 1, 2009 through July 31, 2010. The Treasurer’s contract was then renewed for a four-year term, August 1, 2009 through July 31, 2013.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. This includes general operations, food service, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the organization's budget, the issuance of its debt, or the levying of its taxes. The School District has one component unit, London Academy.

The Booster groups and Parent Teacher Organizations perform activities within the School District's boundaries for the benefit of its residents but are excluded from the accompanying financial statements because the School District is not financially accountable for these entities nor are they fiscally dependent on the School District.

Within the School District's boundaries, St. Patrick's Elementary (Pre-Kindergarten through Eighth grades) and Madison Clark Christian Academy (Kindergarten through Twelfth grades), are both operated as private schools. Madison Clark Christian Academy closed permanently as of June 30, 2009. Current State legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the School District, as directed by the parochial schools. This activity is reflected in a nonmajor special revenue fund for financial reporting purposes.

The School District participates in six organizations, three of which are defined as jointly governed organizations, one as a public entity shared risk pool, one as an insurance purchasing pool, and one as a related organization. These organizations are the Metropolitan Educational Council, the Tolles Career and Technical Center, the Central Madison Joint Recreation District, the Schools of Ohio Risk Sharing Authority, the Ohio School Boards Association Workers' Compensation Group Rating Plan, and the London Public Library. These organizations are presented in Note 18 to the basic financial statements.

The School Board adopts an annual budget by July 1 which may be amended any time during the fiscal year as new information becomes available. This annual budget serves as the foundation of the London City School District's financial planning and control. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

ECONOMIC CONDITION AND OUTLOOK

Situated in Madison County, the School District has both the flavor of a rural area along with urbanization creating the best of both worlds. The City of London boasts a rich tradition of agriculture and is home to the nationally renowned Farm Science Review, held annually at The Ohio State University's 2,100 acre Molly Caren Agricultural Center. Major industries located within the School District's boundaries include Stanley automotive components, London Industries automotive components, Staples distribution warehouse, BST building systems transportation, Intelligrated Products, London Correctional Facility, Madison Correction Facility and the State of Ohio Bureau of Criminal Identification and Investigation main headquarters.

The General Assembly appointed a commission to choose a site for the seat of justice in Madison County on March 1, 1810. They choose a 200 acre tract of land in Union Township belonging to John Murfin. Lots were laid for a new town which the commissioners named London. For the past 199 years, London has served as the community hub for Madison County and continues to grow in a planned and directed manner. The 2000 U.S. census has the official population of London at 8,771. The population for Madison County exceeds 40,000. Since 1980, the land size of London has increased over 70 percent.

London's rich heritage and sense of history are evident in the Downtown Restoration/Revitalization Project completed in 2004. The recognition of our heritage and history, while evident in the core section of the City, has not deterred the citizens and officials of London from an active vision of the future. Citizens, community leaders and consultants are working together to guide the development of new residential areas and expanded community services, while maintaining London's distinctive character.

The City of London, along with Madison County, will be celebrating their 200th anniversary in 2010. There are several events planned throughout the year beginning with a March 1, 2010 recognition of the official beginning of London. This will serve as the kick-off for a number of festivities during the year.

The top ten Employers for the School District during fiscal year 2009 are as follows:

<u>Employer</u>	<u>Number of Employees</u>
State of Ohio	1,400
Stanley Electric U.S. Company, Inc.	752
Nissen Chemitec America	452
Madison County Hospital	425
Madison County	400
Staples Distribution	400
Wal-Mart	250
The Kroger Company	200
MATCO Services	200
Intellegrated Products Bodycote	150
BST Trucking	140

The Civilian Labor Force Estimates for Madison County between 2000 and 2008 are as follows:

Year	Civilian			
	Labor Force	Employment	Unemployment	Rate
2000	19,400	18,700	700	3.60%
2001	19,400	18,700	700	4.90%
2002	19,400	18,400	1,000	5.30%
2003	19,500	18,400	1,100	6.50%
2004	19,600	18,500	1,100	6.30%
2005	19,800	18,600	1,100	5.90%
2006	20,000	19,000	1,000	5.20%
2007	20,000	19,000	1,000	5.80%
2008	20,200	19,000	1,200	6.30%

The 2009 unemployment rate is 9.8 percent, up from 6.3 percent. This data source is from the Ohio Department of Development.

FINANCIAL TRENDS

During fiscal year 2009, the School District experienced a decrease in the State foundation revenue (cash basis). This is due primarily to a decrease in the State of Ohio funding for Schools. The amount of personal property taxes collected will diminish over the next fiscal year with the advent of House Bill 66. These dollars will be replaced with money from the Commercial Activities Tax through 2010, but a new source for these revenues will need to be created at the end of this period. We currently have no indication from the State of Ohio on any guidance on budget plans to replace this loss in revenue.

House Bill 1, known as PASS, completely changes school funding to an evidence based model. The complete impact has yet to be determined, as it is being developed and implemented during fiscal year 2010. The concern for the School District is a possible decrease in funding after all budgets have already been approved and implemented. A change in the funding formula in the middle of a fiscal year does not allow for planning and makes it very difficult to complete the five year forecast mandated by law, without knowing the impact to the School District. The concern is the unknown of unfunded mandates from the State or a decrease in funding due to the new PASS model.

FINANCIAL PLANNING AND POLICIES

The School District annually prepares a five-year financial forecast to ensure long-term financial success. The five-year financial forecast is prepared and approved by the Board in October and May of each fiscal year. The five-year financial forecast provides actual data on each major revenue and expenditure category for the past three fiscal years and forecasts these same categories for an additional five fiscal years.

The five-year financial forecast is a planning tool used to certify if funds are available for future expenditures and additionally to strategize when the School District will need to return to voters for additional funds, or reduce expenditures accordingly. The five-year financial forecast is published on the Ohio Department of Education's website for public use.

MAJOR INITIATIVES FOR THE YEAR

London City School's focus is a minimum of one year's academic growth per school year for every child. And to accomplish this we are focusing on frequent assessments of student progress, analysis of their progress and differentiating instruction to meet students' needs. To help accomplish these goals, we have partnered with Battelle for Kids, used the State personnel development grant, and targeted professional development of staff, so that they can be more effective in the class room. The School District has enhanced its course offerings with higher level math at the Middle School. London High School has added several advanced placement courses in math, language arts, social studies and science. The community has supported all day Kindergarten for several years providing a better start for our youngest students. The staff of London Elementary has created a collaborative professional environment to promote student success.

Having moved into the 21st century, we have also partnered with the Ohio Schools Facilities Commission (OSFC) to move our Middle School students in grades sixth through eighth into a new facility that will better meet the educational needs of today and the future. The community supported the master plan of building a new Elementary School, High School addition and renovation along with the completion of the new Middle School, with passage of a \$29,910,000 bond. The local share of the project is 54 percent of the project.

The community approved a one percent school income tax in 2005, effective 2006-2010, which generates approximately \$2,500,000 per fiscal year. At this point the School District needs to ask for a renewal. The Board will be voting on December 22nd, 2009 to place this renewal on the primary ballot, on May 4, 2010. The School District is currently at the 20 mill floor. The 20 mill floor is the lowest amount of millage allowed by law to be collected for a School District in the State of Ohio. The School District income tax is equivalent to 8.62 mills. The School District income tax makes up approximately 14 percent of the overall revenues on a cash basis of accounting.

FOR THE FUTURE

The Treasurer plans to continue with the Comprehensive Annual Financial Report in future fiscal years. The Ohio School Facilities Commission project for the building of London Middle School and continued renovation to the London High School will be completed in fiscal year 2011. The School District plans to continue work toward the renewal of the five year income tax levy. The School District also continues to research opportunities to improve revenues as the School District remains at the 20 mill floor. The School District is anticipating enrollment to remain constant.

AWARDS AND ACKNOWLEDGEMENTS

GFOA CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to any governmental agency that publishes an easily readable and efficiently organized Comprehensive Annual Financial Report which conforms to program standards. Such a report must also satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting. Since this report was prepared with the stringent guidelines of the Certificate of Achievement in mind, it will be submitted to the GFOA to determine its eligibility for the Certificate of Achievement for the fiscal year ended June 30, 2009.

ASBO CERTIFICATE

The Association of School Business Officials International (ASBO) Certificate of Excellence is awarded to those school districts who have voluntarily submitted their system's Comprehensive Annual Financial Report for review by an ASBO Panel of Review. This award certifies that the 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. The London City School District will also be submitting its first CAFR for this award for the fiscal year ended June 20, 2009.

ACKNOWLEDGMENTS


The publication of this report is a major step toward professionalizing the financial reporting of the London City School District. Appreciation is expressed to the Treasurer's staff: Carmen Holland, Payroll/Benefits Specialist and Dana Topper, Accounting Specialist. A special thank-you is also extended to the Local Government Services Section of the Office of the Auditor of State for their assistance in preparing this year's CAFR.

Finally, this report would not have been possible without the continued support of the Board of Education, who values quality financial information with which to help make decisions. Without their leadership and commitment to excellence this report would not be possible.

Respectfully submitted,



D. Steven Allen, M Ed.
Superintendent



Britt R. Lewis, MBA
Treasurer/Chief Financial Officer

London City School District
List of Principal Officials
June 30, 2009

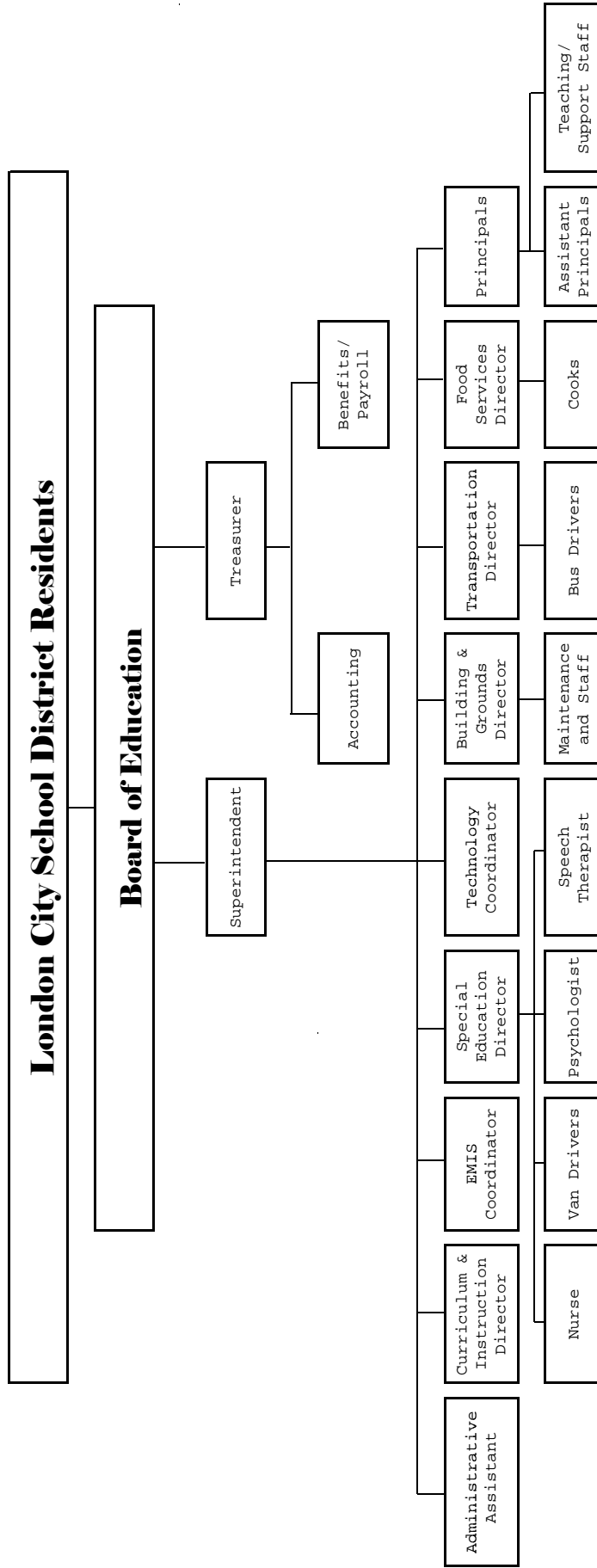
Board of Education

Mr. Curtis BrooksPresident
Mr. Eric Schooley Vice-President
Mrs. Melissa Canney Member
Ms. Vicijean Geer Member
Mrs. Nancy Smith Member

Administration

Mr. D. Steven Allen Superintendent
Mr. Britt R. LewisTreasurer/Chief Financial Officer

London City School District Organizational Chart



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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

London City School District
Madison County
60 South Walnut Street
London, Ohio 43140

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the London City School District, Madison County, Ohio (the District) as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the District as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining non-major fund statements and schedules, and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining non-major fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Kennedy Cottrell Richards LLC". The signature is written in a cursive, flowing style.

Kennedy Cottrell Richards
January 20, 2010

LONDON CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

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

Financial Highlights

Key financial highlights for fiscal year 2009 are as follows:

- Net assets of governmental activities increased \$21,565,500.
- Total assets of governmental activities increased \$21,443,320. Capital assets decreased \$1,029,387. Receivables and other current assets increased \$22,472,707.
- General revenues accounted for \$42,768,330. Program specific revenues in the form of charges for services and sales, grants, contributions and interest accounted for \$5,297,649. Total revenues equaled \$48,065,979.
- The School District had \$26,500,479 in expenses related to governmental activities; only \$5,297,649 of these expenses were offset by program specific charges for services and sales, grants, contributions and interest. General revenues (primarily grants, entitlements, property taxes, and income taxes) of \$42,768,330 were more than adequate to provide for these programs.

Using the Basic Financial Statements

This report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand London City School District as a financial whole, an entire operating entity.

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

LONDON CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

Reporting the School District as a Whole

One of the most important questions asked about the School District is “How did we do financially during fiscal year 2009?”

The Statement of Net Assets and the Statement of Activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These government-wide financial statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. The change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the School District's property tax base, current property tax laws in Ohio restricting revenue growth, required educational programs and other factors.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 8. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's major funds.

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

LONDON CITY SCHOOL DISTRICT
Management's Discussion and Analysis
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Fiduciary Funds - The School District's fiduciary funds are a private purpose trust fund and three agency funds. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

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

(Table 1)
 Net Assets
 Governmental Activities

	2009	2008	Increase/ (Decrease)
<u>Assets:</u>			
Current Assets	\$39,162,477	\$16,689,770	\$22,472,707
Capital Assets, Net	40,103,700	41,133,087	(1,029,387)
<i>Total Assets</i>	<u>79,266,177</u>	<u>57,822,857</u>	<u>21,443,320</u>
<u>Liabilities:</u>			
Other Liabilities	11,928,849	11,128,553	800,296
Long-Term Liabilities	26,563,324	27,485,800	(922,476)
<i>Total Liabilities</i>	<u>38,492,173</u>	<u>38,614,353</u>	<u>(122,180)</u>
<u>Net Assets:</u>			
Invested in Capital Assets, Net of Related Debt	15,553,827	15,403,898	149,929
Restricted	25,012,718	2,154,388	22,858,330
Unrestricted	207,459	1,650,218	(1,442,759)
<i>Total Net Assets</i>	<u>\$40,774,004</u>	<u>\$19,208,504</u>	<u>\$21,565,500</u>

Current Assets increased \$22,472,707. This was mainly due to the School District receiving a grant from the Ohio School Facilities Commission for renovations to the existing High School and to construct a new Middle School.

Capital Assets decreased \$1,029,387. This decrease was due to current fiscal year depreciation exceeding current fiscal year additions.

Total Liabilities decreased \$122,180. This was due primarily to a decrease in Long-Term Liabilities of \$922,476 resulting from annual debt payments made during the fiscal year.

LONDON CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

During the fiscal year, Invested in Capital Assets, Net of Related Debt for governmental activities increased \$149,929. This increase was due to principal payments on the capital lease and outstanding debt issues made during the fiscal year. Restricted Net Assets increased \$22,858,330 due to the School District receiving a grant from the Ohio School Facilities Commission for renovations to the existing High School and to construct a new Middle School. Unrestricted Net Assets for governmental activities decreased \$1,442,759 due mainly to an increase in expenditures for instructional materials, salaries, and benefits.

Table 2 shows the changes in net assets for fiscal years 2009 and 2008:

(Table 2)
Change in Net Assets
Governmental Activities

	2009	2008	Increase/ (Decrease)
<u>Revenues:</u>			
Program Revenues:			
Charges for Services and Sales	\$2,897,122	\$3,201,367	(\$304,245)
Operating Grants, Contributions and Interest	2,383,537	2,787,915	(404,378)
Capital Grants and Contributions	16,990	10,234	6,756
<i>Total Program Revenues</i>	<u>5,297,649</u>	<u>5,999,516</u>	<u>(701,867)</u>
General Revenues:			
Property Taxes	7,482,918	7,096,934	385,984
Income Taxes	2,930,638	3,033,446	(102,808)
Revenue in Lieu of Taxes	301,464	153,597	147,867
Grants and Entitlements not Restricted to Specific Programs	31,926,050	8,520,340	23,405,710
Contributions and Donations	31,697	21,423	10,274
Interest	12,509	226,579	(214,070)
Miscellaneous	83,054	54,827	28,227
<i>Total General Revenues</i>	<u>42,768,330</u>	<u>19,107,146</u>	<u>23,661,184</u>
<i>Total Revenues</i>	<u>\$48,065,979</u>	<u>\$25,106,662</u>	<u>\$22,959,317</u>

(continued)

LONDON CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

(Table 2)
 Change in Net Assets
 Governmental Activities
 (continued)

	2009	2008	Increase/ (Decrease)
<u>Program Expenses:</u>			
Instruction:			
Regular	\$10,677,696	\$9,124,413	\$1,553,283
Special	3,737,457	3,461,580	275,877
Vocational	366,810	322,651	44,159
Adult/Continuing	37,718	45,425	(7,707)
Support Services:			
Pupils	784,521	711,515	73,006
Instructional Staff	1,418,333	1,417,994	339
Board of Education	99,197	110,433	(11,236)
Administration	1,994,994	1,767,721	227,273
Fiscal	629,851	619,797	10,054
Operation and Maintenance of Plant	2,512,425	2,236,400	276,025
Pupil Transportation	983,314	934,026	49,288
Central	176,898	412,842	(235,944)
Operation of Non-Instructional Services:			
Food Service Operations	829,374	809,185	20,189
Other	113,745	132,350	(18,605)
Extracurricular Activities	813,285	837,125	(23,840)
Interest and Fiscal Charges	1,324,861	1,259,400	65,461
<i>Total Expenses</i>	<u>26,500,479</u>	<u>24,202,857</u>	<u>2,297,622</u>
<i>Change in Net Assets</i>	21,565,500	903,805	20,661,695
<i>Net Assets at Beginning of Year</i>	<u>19,208,504</u>	<u>18,304,699</u>	<u>903,805</u>
<i>Net Assets at End of Year</i>	<u><u>\$40,774,004</u></u>	<u><u>\$19,208,504</u></u>	<u><u>\$21,565,500</u></u>

Governmental Activities

Program revenues decreased \$701,867 due primarily to decreases in Charges for Services and Sales and Operating Grants, Contributions and Interest of \$304,245 and \$404,378, respectively. The change in Charges for Services and Sales is due to a decrease in revenue received in conjunction with the purchased services agreement with London Academy, whereas the Academy's foundation revenues decreased due to a decrease in enrollment. The change in Operating Grants, Contributions and Interest is due to a decrease in grant revenue related to the Title I and Title VI-B grants.

LONDON CITY SCHOOL DISTRICT
Management's Discussion and Analysis
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Unaudited

Grants and Entitlements not Restricted to Specific Programs accounted for \$31,926,050 of revenues for governmental activities, which is an increase of \$23,405,710 over the prior fiscal year. The large increase is due to the Ohio School Facilities Commission Grant that the School District received during the fiscal year. Property Taxes accounted for \$7,482,918 of revenues for governmental activities. Income Taxes accounted for \$2,930,638 for a total of \$42,339,606 of revenue coming from Property Taxes, Income Taxes and Grants and Entitlements not Restricted to Specific Programs.

Program Expenses increased \$2,297,622. Regular and Special Instruction increased \$1,553,283 and \$275,877, respectively. The increases resulted from the School District purchasing a large amount of instructional materials in alignment with State standards, along with increases in salaries and benefits. Support Services increased \$388,805 due primarily to increases in Administration and Operation and Maintenance of Plant offset by a decrease to Central. Administration and Operation and Maintenance of Plant increased due to salaries and benefits increasing, along with costs associated with the construction project that were not capitalized. The decrease in Central was due to the School District purchasing more new computers and equipment, which were below the School District's capitalization threshold, during fiscal year 2008 when compared to fiscal year 2009.

The School District's Funds

Information about the School District's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$26,687,420 and expenditures of \$26,654,223. The net change in fund balance for the General Fund during the fiscal year was a decrease of \$695,250. This was due to an increase in expenditures for instructional materials and maintenance, along with increases in salaries and benefits.

The Debt Service Fund balance increased \$39,744, which is not significant.

The Ohio Classroom Facilities Capital Projects Fund balance increased \$848,464. The Ohio Classroom Facilities Capital Projects Fund is a new fund for fiscal year 2009 and accounts for receipts and expenditures for the Ohio School Facilities Commission approved High School renovations and new Middle School building projects.

General Fund – Budget Highlights

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

LONDON CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

During fiscal year 2009, the School District revised its budget as it attempted to deal with unexpected changes in expenditures. A summary of the General Fund's original and final budgeted amounts is listed on page 18, as well as the actual amounts. A variance comparison is presented between the final budgeted amount and the actual amounts.

For the General Fund, original estimated revenues were \$20,932,164 and final estimated revenues were \$21,848,792. The difference of \$916,628 is due mostly to the School District underestimating State foundation revenues.

Final estimated revenues were \$21,848,792 and actual revenues were \$21,898,831. The difference of \$50,039 is due the School District receiving additional grant monies at fiscal year-end.

Final estimated expenditures were \$21,384,716, with original estimated expenditures of \$19,452,570, resulting in a difference of \$1,932,146, due to the School District not anticipating new equipment expenditures for the School District, along with increased enrollment and increases in aides and equipment for special needs.

The School District's ending actual fund balance in the General Fund was \$3,643,870, while the final budgeted fund balance equaled \$3,679,107, a difference of \$35,237.

Capital Assets

At the end of fiscal year 2009, the School District had \$40,103,700 invested in capital assets (net of accumulated depreciation). Additions to capital assets included construction in progress for building projects, leased computer equipment, and new buses. The School District's only disposals during the fiscal year were vehicles. For additional information regarding the School District's capital assets, refer to Note 9 in the basic financial statements.

Debt

At June 30, 2009, the School District had \$25,215,048 in bonds outstanding, \$1,670,000 of which is due within one year.

The School District had \$525,000 in tax anticipation notes outstanding at fiscal year-end.

The School District had \$405,406 in capital leases outstanding at fiscal year end, \$140,894 of which is due within one year.

For further information regarding the School District's long-term obligations, refer to Notes 15 and 16 in the basic financial statements

LONDON CITY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
Unaudited

Current Issues

The Board of Education of London City Schools is continuing the implementation of the 10-year Plan for the improvement of School District facilities. This final phase, which includes the construction of a new Middle School is fully funded by the State of Ohio through the Ohio School Facilities Commission and does not require the expenditure of any additional local dollars.

The new Middle School will be designed to minimize maintenance and operational cost. The new building will be oriented on the site to maximize natural lighting and reduce extreme heating and cooling loads. The new school will utilize a geothermal system for heating and cooling which will substantially reduce the cost of utilities.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. For questions about this report or additional information, contact Mr. Britt R. Lewis, Treasurer of London City School District, 60 South Walnut Street, London, Ohio 43140.

Basic Financial Statements

LONDON CITY SCHOOL DISTRICT
Statement of Net Assets
June 30, 2009

	<u>Primary Government</u>	<u>Component Unit</u>
	Governmental	London
	Activities	Academy
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$6,968,504	\$0
Cash and Cash Equivalents	0	154
Materials and Supplies Inventory	8,402	0
Accrued Interest Receivable	4,222	0
Accounts Receivable	84,592	0
Intergovernmental Receivable	22,331,120	217,671
Prepaid Items	452	0
Income Taxes Receivable	1,245,648	0
Property Taxes Receivable	7,853,068	0
Due from Component Unit	154	0
Revenue in Lieu of Taxes Receivable	398,802	0
Deferred Charges	267,513	0
Capital Assets:		
Land	884,550	0
Construction in Progress	377,804	0
Depreciable Capital Assets, Net	38,841,346	22,265
<i>Total Assets</i>	<u>79,266,177</u>	<u>240,090</u>
<u>Liabilities:</u>		
Accounts Payable	80,711	0
Contracts Payable	517,654	0
Accrued Wages and Benefits Payable	2,238,253	0
Intergovernmental Payable	656,597	0
Retainage Payable	5,786	0
Deferred Revenue	7,815,243	0
Accrued Interest Payable	80,083	0
Notes Payable	525,000	0
Matured Compensated Absences Payable	9,522	0
Due to Primary Government	0	154
Long-Term Liabilities:		
Due Within One Year	1,990,203	0
Due in More Than One Year	24,573,121	0
<i>Total Liabilities</i>	<u>38,492,173</u>	<u>154</u>
<u>Net Assets:</u>		
Invested in Capital Assets, Net of Related Debt	15,553,827	22,265
Restricted for Debt Service	1,809,915	0
Restricted for Capital Projects	22,691,676	0
Restricted for Title I Grant	105,386	134,275
Restricted for Title VI-B Grant	0	77,861
Restricted for Other Purposes	405,741	5,535
Unrestricted	207,459	0
<i>Total Net Assets</i>	<u>\$40,774,004</u>	<u>\$239,936</u>

See accompanying notes to the basic financial statements

LONDON CITY SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2009

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>	
		<u>Charges for Services and Sales</u>	<u>Operating Grants, Contributions and Interest</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>	<u>Component Unit</u>
					<u>Governmental Activities</u>	<u>London Academy</u>
<u>Governmental Activities:</u>						
Instruction:						
Regular	\$10,677,696	\$2,403,502	\$90,402	\$0	(\$8,183,792)	\$0
Special	3,737,457	16,490	1,425,425	0	(2,295,542)	0
Vocational	366,810	0	28,408	0	(338,402)	0
Adult/Continuing	37,718	0	39,718	0	2,000	0
Support Services:						
Pupils	784,521	0	69,198	0	(715,323)	0
Instructional Staff	1,418,333	0	158,404	0	(1,259,929)	0
Board of Education	99,197	0	0	0	(99,197)	0
Administration	1,994,994	0	5,080	0	(1,989,914)	0
Fiscal	629,851	0	0	0	(629,851)	0
Operation and Maintenance of Plant	2,512,425	0	0	0	(2,512,425)	0
Pupil Transportation	983,314	0	30,794	16,990	(935,530)	0
Central	176,898	346	21,870	0	(154,682)	0
Operation of Non-Instructional Services:						
Food Service Operations	829,374	304,947	354,627	0	(169,800)	0
Other	113,745	0	127,212	0	13,467	0
Extracurricular Activities	813,285	171,837	32,399	0	(609,049)	0
Interest and Fiscal Charges	1,324,861	0	0	0	(1,324,861)	0
Total Governmental Activities	\$26,500,479	\$2,897,122	\$2,383,537	\$16,990	(21,202,830)	0
<u>Component Unit:</u>						
London Academy	\$2,015,823	\$0	\$2,097,963	\$0	0	82,140
<u>General Revenues:</u>						
Property Taxes Levied for:						
General Purposes					5,430,875	0
Debt Service					2,052,043	0
Income Taxes					2,930,638	0
Revenue In Lieu of Taxes					301,464	0
Grants and Entitlements not Restricted to Specific Programs					31,926,050	0
Contributions and Donations					31,697	0
Interest					12,509	3,174
Miscellaneous					83,054	3,332
Total General Revenues					42,768,330	6,506
Change in Net Assets					21,565,500	88,646
Net Assets at Beginning of Year					19,208,504	151,290
Net Assets at End of Year					\$40,774,004	\$239,936

See accompanying notes to the basic financial statements

LONDON CITY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2009

	General	Debt Service	Ohio Classroom Facilities	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$3,329,551	\$1,876,747	\$1,370,651	\$391,555	\$6,968,504
Receivables:					
Property Taxes	5,748,640	2,104,428	0	0	7,853,068
Revenue in Lieu of Taxes	398,802	0	0	0	398,802
Income Taxes	1,245,648	0	0	0	1,245,648
Intergovernmental	24,601	0	21,759,451	547,068	22,331,120
Accounts	83,450	0	0	1,142	84,592
Accrued Interest	4,222	0	0	0	4,222
Interfund	394,126	0	0	0	394,126
Prepaid Items	452	0	0	0	452
Materials and Supplies Inventory	0	0	0	8,402	8,402
Due From Component Unit	154	0	0	0	154
Total Assets	\$11,229,646	\$3,981,175	\$23,130,102	\$948,167	\$39,289,090
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$49,140	\$0	\$4,625	\$26,946	\$80,711
Contracts Payable	0	0	511,776	5,878	517,654
Accrued Wages and Benefits Payable	2,149,314	0	0	88,939	2,238,253
Intergovernmental Payable	603,189	0	0	53,408	656,597
Accrued Interest Payable	2,628	0	0	0	2,628
Interfund Payable	0	0	0	394,126	394,126
Retainage Payable	0	0	5,786	0	5,786
Matured Compensated Absences Payable	9,522	0	0	0	9,522
Notes Payable	525,000	0	0	0	525,000
Deferred Revenue	6,343,899	2,104,428	21,759,451	498,141	30,705,919
Total Liabilities	9,682,692	2,104,428	22,281,638	1,067,438	35,136,196
<u>Fund Balances:</u>					
Reserved for Encumbrances	150,795	0	124,943	86,089	361,827
Unreserved, Undesignated (Deficit), Reported in:					
General Fund	1,396,159	0	0	0	1,396,159
Special Revenue Funds	0	0	0	(183,630)	(183,630)
Debt Service Fund	0	1,876,747	0	0	1,876,747
Capital Projects Funds	0	0	723,521	(21,730)	701,791
Total Fund Balances (Deficit)	1,546,954	1,876,747	848,464	(119,271)	4,152,894
Total Liabilities and Fund Balances	\$11,229,646	\$3,981,175	\$23,130,102	\$948,167	\$39,289,090

See accompanying notes to the basic financial statements

LONDON CITY SCHOOL DISTRICT
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2009*

Total Governmental Fund Balances \$4,152,894

***Amounts reported for governmental activities in the
 Statement of Net Assets are different because:***

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	884,550	
Construction in progress	377,804	
Other capital assets	53,547,666	
Accumulated depreciation	(14,706,320)	
Total capital assets		40,103,700

Some of the School District's revenues will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.

Delinquent property taxes	37,825	
Revenue in lieu of taxes	398,802	
Income taxes	196,303	
Intergovernmental	22,257,592	
Due from component unit	154	
		22,890,676

Bond issuance costs reported as an expenditure in governmental funds are allocated as an expense over the life of the debt on a full accrual basis. 267,513

In the Statement of Activities, interest is accrued on outstanding general obligation bonds, whereas in governmental funds, an interest expenditure is reported when due. (77,455)

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds payable	(23,839,864)	
Accretion on bonds	(803,068)	
Loss on refunding	629,469	
Premium on debt issue	(1,201,585)	
Capital leases	(405,406)	
Compensated absences	(942,870)	
Total liabilities		(26,563,324)

Net Assets of Governmental Activities \$40,774,004

See accompanying notes to the basic financial statements

LONDON CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2009

	General	Debt Service	Ohio Classroom Facilities	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Property Taxes	\$5,619,039	\$2,060,305	\$0	\$0	\$7,679,344
Revenue in Lieu of Taxes	434,398	0	0	0	434,398
Income Taxes	2,984,164	0	0	0	2,984,164
Intergovernmental	8,994,249	373,620	1,372,454	1,754,386	12,494,709
Interest	673	0	0	11,836	12,509
Tuition and Fees	490,606	0	0	0	490,606
Extracurricular Activities	30,042	0	0	142,141	172,183
Customer Sales and Services	1,965,335	0	0	304,947	2,270,282
Contributions and Donations	486	0	0	63,610	64,096
Rent	2,075	0	0	0	2,075
Miscellaneous	69,920	0	0	13,134	83,054
Total Revenues	20,590,987	2,433,925	1,372,454	2,290,054	26,687,420
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	9,653,458	0	0	221,278	9,874,736
Special	2,987,798	0	0	654,250	3,642,048
Vocational	340,326	0	0	0	340,326
Adult/Continuing	0	0	0	37,718	37,718
Support Services:					
Pupils	656,765	0	0	83,159	739,924
Instructional Staff	1,089,488	0	0	86,506	1,175,994
Board of Education	99,197	0	0	0	99,197
Administration	1,804,577	0	0	6,307	1,810,884
Fiscal	544,292	54,938	0	0	599,230
Operation and Maintenance of Plant	2,229,853	0	150,261	30,164	2,410,278
Pupil Transportation	965,879	0	0	22,760	988,639
Central	135,810	0	0	27,951	163,761
Operation of Non-Instructional Services:					
Food Service Operations	0	0	0	738,358	738,358
Other	0	0	0	113,745	113,745
Extracurricular Activities	431,821	0	0	245,965	677,786
Capital Outlay	289,377	0	410,806	5,878	706,061
Debt Service:					
Principal Retirement	149,183	1,385,000	0	0	1,534,183
Interest and Fiscal Charges	47,112	954,243	0	0	1,001,355
Total Expenditures	21,424,936	2,394,181	561,067	2,274,039	26,654,223
Excess of Revenues Over (Under) Expenditures	(833,949)	39,744	811,387	16,015	33,197
<u>Other Financing Sources (Uses):</u>					
Inception of Capital Lease	284,977	0	0	0	284,977
Transfers In	13,097	0	37,077	254,522	304,696
Transfers Out	(159,375)	0	0	(145,321)	(304,696)
Total Other Financing Sources (Uses)	138,699	0	37,077	109,201	284,977
Net Change in Fund Balances	(695,250)	39,744	848,464	125,216	318,174
Fund Balances (Deficit) at Beginning of Year	2,242,204	1,837,003	0	(244,487)	3,834,720
Fund Balances (Deficit) at End of Year	\$1,546,954	\$1,876,747	\$848,464	(\$119,271)	\$4,152,894

See accompanying notes to the basic financial statements

LONDON CITY SCHOOL DISTRICT
*Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2009*

Net Change in Fund Balances - Total Governmental Funds \$318,174

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

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital assets additions	516,704	
Construction in progress additions	377,804	
Depreciation expense	(1,923,895)	
Excess of depreciation expense over capital outlay	(1,029,387)	(1,029,387)

Because some revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.

Delinquent property taxes	(196,426)	
Revenue in lieu of taxes	(132,934)	
Income taxes	(53,526)	
Intergovernmental	21,799,469	
Customer Sales and Services	(38,024)	21,378,559

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The difference in the amount of interest on the Statement of Activities is the result of the following:

Amortization of bond issuance costs	(15,961)	
Amortization of bond premium	71,965	
Amortization of deferred loss	(125,894)	
Decrease in accrued interest payable	4,131	
Accretion on bonds	(257,747)	(323,506)

Some capital assets were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the Statement of Net Assets, the lease obligation is reported as a liability. (284,977)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. In the current fiscal year, these amounts consist of:

Bond payments	1,385,000	
Capital lease payments	149,183	1,534,183

Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences payable	(15,054)	
Cancelled grants	(12,492)	(27,546)

Change in Net Assets of Governmental Activities \$21,565,500

See accompanying notes to the basic financial statements

LONDON CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance With Final Budget Over/(Under)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$6,701,897	\$6,881,839	\$6,881,839	\$0
Revenue in Lieu of Taxes	407,532	434,398	434,398	0
Income Taxes	3,055,297	3,055,297	3,055,297	0
Intergovernmental	8,391,048	8,944,210	8,994,249	50,039
Interest	4,231	4,510	4,510	0
Tuition and Fees	460,264	490,606	490,606	0
Extracurricular Activities	28,184	30,042	30,042	0
Customer Sales and Services	1,843,787	1,965,335	1,965,335	0
Contributions and Donations	456	486	486	0
Rent	1,947	2,075	2,075	0
Miscellaneous	37,521	39,994	39,994	0
<i>Total Revenues</i>	20,932,164	21,848,792	21,898,831	50,039
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	9,426,608	9,602,034	9,556,684	45,350
Special	2,150,012	2,960,393	2,960,393	0
Vocational	312,630	313,081	313,081	0
Support Services:				
Pupils	647,686	644,749	644,749	0
Instructional Staff	825,965	1,038,268	1,037,089	1,179
Board of Education	91,896	100,148	100,148	0
Administration	1,678,883	1,768,991	1,767,818	1,173
Fiscal	367,608	565,192	565,162	30
Operation and Maintenance of Plant	1,805,864	2,259,133	2,259,133	0
Pupil Transportation	1,017,060	1,029,475	1,029,475	0
Central	398,504	386,198	386,198	0
Extracurricular Activities	450,854	433,654	420,104	13,550
Capital Outlay	0	4,400	4,400	0
Debt Service:				
Principal Retirement	240,000	240,000	240,000	0
Interest and Fiscal Charges	39,000	39,000	38,438	562
<i>Total Expenditures</i>	19,452,570	21,384,716	21,322,872	61,844
Excess of Revenues Over Expenditures	1,479,594	464,076	575,959	111,883
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	4,996	5,325	5,325	0
Transfers In	12,236	13,097	13,097	0
Transfers Out	0	(12,255)	(159,375)	(147,120)
<i>Total Other Financing Sources (Uses)</i>	17,232	6,167	(140,953)	(147,120)
<i>Net Change in Fund Balance</i>	1,496,826	470,243	435,006	(35,237)
<i>Fund Balance at Beginning of Year</i>	3,035,317	3,035,317	3,035,317	0
<i>Prior Year Encumbrances Appropriated</i>	173,547	173,547	173,547	0
<i>Fund Balance at End of Year</i>	\$4,705,690	\$3,679,107	\$3,643,870	(\$35,237)

See accompanying notes to the basic financial statements

LONDON CITY SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

	Private Purpose Trust	Agency
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$17,190	\$64,090
Receivables:		
Accrued Interest	705	0
<i>Total Assets</i>	17,895	\$64,090
<u>Liabilities:</u>		
Due to Other Governments	0	\$582
Due to Students	0	63,508
<i>Total Liabilities</i>	0	\$64,090
<u>Net Assets:</u>		
Held in Trust for Scholarships	\$17,895	

See accompanying notes to the basic financial statements

LONDON CITY SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2009

	Private Purpose Trust
	Scholarships
<u>Additions:</u>	
Interest	\$802
<u>Deductions:</u>	
Scholarships	845
<i>Change in Net Assets</i>	(43)
<i>Net Assets at Beginning of Year</i>	17,938
<i>Net Assets at End of Year</i>	\$17,895

See accompanying notes to the basic financial statements

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The London City School District (the “School District”) is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four-year terms. The School District provides educational services as authorized by State statute and federal guidelines.

The School District serves an area of approximately 54 square miles. The School District is located in Madison County and encompasses all of the City of London and portions of Deer Creek, Somerford, and Union Townships. It is staffed by 87 non-certificated employees, 159 certificated full-time teaching personnel and 12 administrative employees who provide services to 2,108 students. The School District currently operates four instructional buildings, one administrative building and one bus garage.

Reporting Entity

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

Non-public Schools – Within the School District boundaries, there are two non-public schools. Current State legislature provides funding to these non-public schools. These monies are received and disbursed on behalf of the non-public school by the treasurer of the School District, as directed by the non-public school. These transactions are reported in a special revenue fund and as a governmental activity of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization’s governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization’s resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The School District has one component unit, the London Academy.

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY
(continued)

Discretely Presented Component Unit

The component unit column in the entity-wide financial statements identifies the financial data of the School District's discretely presented component unit, London Academy. It is reported separately to emphasize that it is legally separate from the School District.

London Academy

London Academy (the "Academy") is a legally separate not-for-profit organization served by an appointed five-member Board of Directors which is appointed by the London City School District. Also, London City School District can impose its will on the Academy. Therefore, the Academy is reflected as a component unit of the London City School District. The Academy, under a contractual agreement with the London City School District, provides comprehensive educational programs of high quality, tied to State and national standards, which can be delivered to students in the ninth through twelfth grade populations entirely through distance learning technologies. It is operated in cooperation with the School District to provide an innovative and cost-effective solution to the special problems of disabled students, students removed from school for disciplinary reasons, students needing advanced or specialized courses, and others, including home schooled students. London Academy operates on a fiscal year ending June 30. Separately issued financial statements can be obtained from London Academy, 60 South Walnut Street, London, Ohio 43140.

The information presented in Notes 2 through 24 relates to the primary government. Information related to the discretely presented component unit is presented in Note 25.

The School District participates in six organizations, three of which are defined as jointly governed organizations, one as a public entity shared risk pool, one as an insurance purchasing pool, and one as a related organization. These organizations are presented in Note 18 to the basic financial statements. These organizations are:

Jointly Governed Organizations:

Metropolitan Educational Council
Tolles Career and Technical Center
Central Madison Joint Recreation District

Public Entity Shared Risk Pool:

Schools of Ohio Risk Sharing Authority

Insurance Purchasing Pool:

Ohio School Boards Association Workers' Compensation Group Rating
Plan

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY
(continued)

Related Organization:
London Public Library

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The government-wide statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type; however, the School District has no business-type activities.

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

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

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

Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. All funds of the School District fall within two categories: governmental and fiduciary.

Governmental Funds

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

General Fund - The General Fund is the operating fund of the School District and is used to account for 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.

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.

Ohio Classroom Facilities Fund - The Ohio Classroom Facilities Capital Projects Fund is used to account for all intergovernmental monies and interest received and expended in connection with the contracts entered into by the School District and the Ohio School Facilities Commission for the building and equipping of new classroom facilities.

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

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has four fiduciary funds: a private purpose trust fund used to account for college scholarship programs for students; an agency fund used to account for student managed activity programs; an agency fund used to account for revenues and expenditures related to benefits for the School District's employees; and an agency fund to track all grant monies received and expended for London Academy.

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

Basis of Accounting

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

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues - Exchange and Non-exchange Transactions

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On an accrual basis, revenue from income tax is recognized in the year in which the income is earned and revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of June 30, 2009, but which were levied to finance fiscal year 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures

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

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

Cash and Cash Equivalents

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

During fiscal year 2009, the School District invested in a repurchase agreement which is reported at cost.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2009 amounted to \$673, which includes \$257 from other School District funds.

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

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivable" and "Interfund Payable". These amounts are eliminated in the governmental activities column of the Statement of Net Assets.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2009, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expensed/expensed when used. Inventories consist of materials and supplies held for consumption and purchased food held for resale.

Capital Assets

All capital assets of the School District are general capital assets that are associated with governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Assets but are not reported in the fund financial statements.

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

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	15 - 50 years
Buildings and Improvements	15 - 50 years
Furniture, Fixtures and Equipment	5 - 20 years
Vehicles	8 years
Textbooks and Software	6 years

Compensated Absences

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

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Bond Premiums/Issuance Costs/Interest on Capital Appreciation Bonds/Loss on Refunding

Bond issuance costs and bond premiums are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Capital appreciation bonds are accreted each fiscal year for the interest accrued during the fiscal year. Bond premiums and the interest on the capital appreciation bonds are presented as an addition to the face amount of the bonds payable whereas issuance costs are recorded as deferred charges. On the fund financial statements, bond premiums are reported as Other Financing Sources and issuance costs are reported as expenditures when the debt is issued. Accretion on the capital appreciation bonds is not reported.

The accounting loss on refunded bonds (difference between the reacquisition price and the net carrying amount of the old debt) is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for food service operations and music and athletic programs, and federal and State grants restricted to expenditures for specified purposes.

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

Budgetary Process

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

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

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Internal Activity

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

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

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

Estimates

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

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 3 – ACCOUNTABILITY AND COMPLIANCE

Accountability

At June 30, 2009, the following funds had a deficit fund balance:

<u>Funds</u>	<u>Amounts</u>
Cafeteria	\$54,416
Education Foundation	17,108
Education Management Information Systems	72
Entry Year Grant	52
Poverty Based Assistance	34,761
Adult Basic Literacy Education	14,613
Title VI-B	62,963
Title I	159,772
Title II	5,607
Safe and Drug Free Schools	5,565
IDEA Preschool	5,137
Title II-A	25,380
Miscellaneous Federal Grants	796
Permanent Improvement	105,491

The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Compliance

The following funds had final appropriations in excess of final estimated revenues and available fund balance for the fiscal year ended June 30, 2009:

<u>Funds</u>	<u>Amounts</u>
Ohio Classroom Facilities	\$140,385
Entry Year Grant	6,300
SchoolNet Professional Development	720
Adult Basic Literacy Education	4,954
Bilingual Education Program	2,771
Safe and Drug Free Schools	905
Title II-A	11,654
Permanent Improvement	2,728

The following accounts had expenditures plus encumbrances in excess of appropriations for the fiscal year ended June 30, 2009:

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 3 – ACCOUNTABILITY AND COMPLIANCE (continued)

<u>Funds</u>	<u>Final Appropriations</u>	<u>Final Expenditures</u>	<u>Excess</u>
Debt Service	\$48,600	\$2,394,181	(\$2,345,581)
Cafeteria	689,791	690,152	(361)
Title II	7,699	10,562	(2,863)

The following funds had final appropriations in excess of actual revenues and available fund balance for the fiscal year ended June 30, 2009:

<u>Funds</u>	<u>Amounts</u>
Cafeteria	\$15,452
Education Foundation	37,981
District Managed Student Activities	24,989
Auxiliary Services Non Public	111,598
Poverty Based Assistance	10,297
Adult Basic Literacy Education	25,718
Title VI-B	186,158
Bilingual Education Program	2,771
Title I	350,811
Title II	2,744
Safe and Drug Free Schools	7,781
IDEA Preschool	6,447
Title II-A	78,183
Miscellaneous Federal Grants	3,020
Permanent Improvement	105,491

The School District had negative cash fund balances in the following funds indicating that revenue from other sources were used to pay obligations of these funds contrary to Ohio Revised Codes Section 5705.10:

<u>Funds</u>	<u>Amounts</u>
Cafeteria	\$15,132
Education Foundation	17,108
Adult Basic Literacy Education	14,919
Title VI-B	42,459
Title I	157,031
Title II	5,607
Safe and Drug Free Schools	5,565
IDEA Preschool	5,070
Title II-A	24,948
Miscellaneous Federal Grants	796
Permanent Improvement	105,491

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 3 – ACCOUNTABILITY AND COMPLIANCE (continued)

The Treasurer will monitor budgetary controls and cash balances more closely in the future to alleviate such compliance issues.

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis) – for the General Fund is 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) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP).
4. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.

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

<u>Net Change in Fund Balance</u>	
GAAP Basis	(\$695,250)
Adjustments:	
Revenue Accruals	1,028,023
Expenditure Accruals	265,152
Unrecorded Cash	169
Encumbrances	<u>(163,088)</u>
Budget Basis	<u><u>\$435,006</u></u>

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 5 – DEPOSITS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAROhio); and

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

8. Commercial paper and bankers acceptances if training requirements have been met.

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

Deposits: Custodial credit risk for deposits is the risk that in the event of bank failure, the London City School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year-end, \$6,237,631 of the School District's bank balance of \$6,487,631 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution.

The School District has no policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of deposits being secured.

Investments: At June 30, 2009, the School District had \$664,541 invested in a repurchase agreement with Huntington National Bank which will mature in less than one year.

Interest Rate Risk: The School District's investment policy follows State statute, which requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Concentration of Credit Risk: The underlying securities of the repurchase agreement are Federal Home Loan Mortgage notes, which carry a credit rating of AAA by Standard and Poor's. The School District's investment policy follows State statute, which limits investments in commercial paper and bankers' acceptances to 25 percent of the interim monies available for investment at any one time.

NOTE 6 – PROPERTY TAXES

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

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 6 – PROPERTY TAXES (continued)

Property taxes include amounts levied against all real property, public utility property, and tangible personal (used in business) property located in the School District. Real property tax revenues received in calendar year 2009 represent the collection of calendar year 2008 taxes. Real property taxes received in calendar year 2009 were levied after April 1, 2008, on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2009 represent the collection of calendar year 2008 taxes. Public utility real and tangible personal property taxes received in calendar year 2009 became a lien on December 31, 2007, were levied after April 1, 2008, and are collected in calendar year 2009 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenues received in calendar year 2009 (other than public utility property) represents the collection of calendar year 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2009 were levied after October 1, 2008, on the value as of December 31, 2008. Amounts 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. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Madison County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2009, are available to finance fiscal year 2009 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents the real property, public utility property, and tangible personal property taxes which were measurable as of June 30, 2009, and for which there was an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reflected as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 6 – PROPERTY TAXES (continued)

The amount received as an advance prior to June 30, 2009, was \$1,159,400 in the General Fund and \$451,500 in the Debt Service Fund. The amount received as an advance prior to June 30, 2008, was \$1,262,800 in the General Fund and \$485,000 in the Debt Service Fund.

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

The assessed values upon which the fiscal year 2009 taxes were collected are:

	2008 Second- Half Collections		2009 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$267,066,450	92.66%	\$289,159,280	93.05%
Public Utility Personal	8,404,680	2.92%	8,537,920	2.75%
General Business Personal	12,749,820	4.42%	13,072,320	4.20%
Total Assessed Value	\$288,220,950	100.00%	\$310,769,520	100.00%
Tax rate per \$1,000 of assessed valuation	\$45.30		\$45.30	

NOTE 7 – INCOME TAX

The School District levies a voted tax of one percent for general operations on the income of residents and of estates. The tax was effective on January 1, 2006, and expires December 31, 2010. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund.

NOTE 8 – RECEIVABLES

Receivables at June 30, 2009, consisted of property taxes, revenue in lieu of taxes, income taxes, intergovernmental grants, accounts, accrued interest, interfund and due from component unit. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivable amounts are expected to be received within one year with the exception of the Ohio School Facilities Commission Grant, revenue in lieu of taxes and delinquent property and income taxes. The Ohio School Facilities Commission Grant monies will be collected over the life of the construction of the new facilities. Revenue in lieu of taxes is collected over the term of the agreement. Property and income taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 8 – RECEIVABLES (continued)

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
<u>Governmental Activities:</u>	
Cafeteria Fund - Federal Reimbursements	\$42,372
Cafeteria Fund - State Reimbursements	255
Chillicothe Schools Reimbursments	157
Franklin County Educational Service Center Reimbursements	24,444
Ohio Schools Facilities Commission	21,759,451
Adult Basic Literacy Education	28,158
Title VI-B	144,831
Title I	265,158
Safe and Drug Free Schools	5,125
Title II-A	58,108
Title II-D	3,061
Total Intergovernmental Receivables	<u><u>\$22,331,120</u></u>

During fiscal year 2009, the School District was awarded \$23,131,905 for the renovation of the High School and construction of a new Middle School from the Ohio School Facilities Commission.

Revenue in Lieu of Taxes

The School District receives revenue in lieu of taxes from several compensation/donation agreements with the City of London. Stanley Electric Company, Pizzuti Equities, Staples, and VAT BST entered into an enterprise zone agreement with the City of London to allow these businesses a tax exemption on real and personal property for the purpose of building and improving facilities and purchasing new equipment. The Stanley Electric Company agreement will expire during fiscal year 2010. The Pizzuti Equities, Staples, and VAT BST agreements will expire during fiscal year 2012.

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 9 – CAPITAL ASSETS

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

	Balance at 6/30/08	Additions	Deletions	Balance at 6/30/09
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$884,550	\$0	\$0	\$884,550
Construction in Progress	0	377,804	0	377,804
Total Capital Assets, Not Being Depreciated	884,550	377,804	0	1,262,354
Capital Assets, Being Depreciated:				
Land Improvements	3,746,544	0	0	3,746,544
Buildings and Improvements	46,407,518	0	0	46,407,518
Furniture, Fixtures and Equipment	1,042,469	303,317	0	1,345,786
Vehicles	1,010,486	213,387	(32,427)	1,191,446
Textbooks and Software	856,372	0	0	856,372
Total Capital Assets, Being Depreciated	53,063,389	516,704	(32,427)	53,547,666
Less Accumulated Depreciation:				
Land Improvements	(1,798,746)	(169,291)	0	(1,968,037)
Building and Improvements	(9,375,722)	(1,429,375)	0	(10,805,097)
Furniture, Fixtures and Equipment	(407,276)	(141,532)	0	(548,808)
Vehicles	(609,253)	(90,691)	32,427	(667,517)
Textbooks and Software	(623,855)	(93,006)	0	(716,861)
Total Accumulated Depreciation	(12,814,852)	(1,923,895) *	32,427	(14,706,320)
Total Capital Assets, Being Depreciated, Net	40,248,537	(1,407,191)	0	38,841,346
Governmental Activities				
Capital Assets, Net	\$41,133,087	(\$1,029,387)	\$0	\$40,103,700

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 9 – CAPITAL ASSETS (continued)

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$790,008
Special	132,685
Vocational	22,247
Support Services:	
Pupils	44,689
Instructional Staff	239,329
Administration	154,653
Fiscal	17,985
Operation and Maintenance of Plant	92,362
Pupil Transportation	191,046
Central	11,632
Operation of Non-Instructional Services:	
Food Service Operations	96,547
Extracurricular Activities	130,712
Total Depreciation Expense	<u><u>\$1,923,895</u></u>

NOTE 10 – RISK MANAGEMENT

Property and Liability Insurance

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2009, the School District contracted with Schools of Ohio Risk Sharing Authority (SORSA) (Note 18) for property, fleet, and liability insurance.

General liability insurance is maintained in the amount of \$11,000,000 for each occurrence form and \$13,000,000 for the general aggregate. Other liability insurance includes \$11,000,000 for automobile liability. The School District maintains replacement cost insurance on building and contents in the blanket amount of \$56,789,919. The School District also carries equipment breakdown coverage in the amount of \$25,000,000.

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant change in coverage from the prior fiscal year.

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 10 – RISK MANAGEMENT (continued)

Workers' Compensation

For fiscal year 2009, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP. Each fiscal year, the School District pays an enrollment fee to the GRP to cover the costs of administering the program.

NOTE 11 – DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008, and 2007 were \$242,429, \$232,561, and \$215,644, respectively; 45.91 percent has been contributed for fiscal year 2009 and 100 percent for the fiscal years 2008 and 2007.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (continued)

State Teachers Retirement System of Ohio

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

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

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

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

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 11 – DEFINED BENEFIT PENSION PLANS (continued)

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

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008, and 2007 were \$1,210,645, \$1,153,326, and \$1,113,000, respectively; 83.32 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were \$31,065 made by the plan members and \$17,749 made by the School District.

NOTE 12 – POSTEMPLOYMENT BENEFITS

School Employees Retirement System

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

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

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 12 – POSTEMPLOYMENT BENEFITS (continued)

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

The School District's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007, were \$164,276, \$156,256, and \$107,176, respectively; 45.91 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2009, this actuarially required allocation was 0.75 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007, were \$20,002, \$16,757, and \$21,952, respectively; 45.91 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

State Teachers Retirement System of Ohio

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post employment health care may be deducted from employer contributions. For 2009, STRS Ohio allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007, were \$93,127, \$88,717, and \$79,500, respectively; 83.32 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

NOTE 13 – EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Eligible classified employees and administrators earn 10 to 20 days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers and ten month administrators do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 350 days for all employees who earn sick leave.

Employees who have been employed by the School District for a minimum of 10 consecutive years at the time of retirement are entitled to retirement severance pay. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit without limit. In addition, beginning July 1, 1986 and each contract year thereafter, a bargaining unit member may accrue one additional day of severance pay for each contract year the bargaining member used zero days of sick leave and personal leave.

Employee Benefits

The School District offers health insurance to its employees through United Health Care. Vision insurance is offered through Vision Services Plan. Delta Dental is the insurance provider for dental care. The provider for life insurance is Unum.

Deferred Compensation

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

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 14 – CAPITAL LEASE – LESSEE DISCLOSURE

In fiscal year 2009 and in prior fiscal years, the School District entered into capitalized leases for a copier and computer hardware and equipment. These leases meet 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 expenditures in the basic financial statements for the governmental funds.

The equipment acquired by the leases was initially capitalized in the amount of \$630,327 which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded on the Statement of Net Assets for governmental activities. Principal payments in fiscal year 2009 totaled \$149,183 and were paid from the General Fund.

The assets acquired through the capital lease are as follows:

	Asset Value	Accumulated Depreciation	Net Book Value
Asset: Furniture, Fixtures, and Equipment	\$630,327	(\$128,103)	\$502,224

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2009.

Fiscal Year Ending June 30,	Total Payments
2010	\$159,008
2011	159,007
2012	122,050
Total	440,065
Less: Amount Representing Interest	(34,659)
Present Value of Net Minimum Lease Payments	\$405,406

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 15 – LONG-TERM OBLIGATIONS

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

	Principal Outstanding 6/30/08	Additions	Deductions	Principal Outstanding 6/30/09	Amounts Due Within One Year
<u>Governmental Activities:</u>					
School Facilities Construction and Improvement Bonds 2001					
Serial Bonds - 4.92%	\$9,930,000	\$0	\$1,130,000	\$8,800,000	\$1,410,000
London Refunding Series 2005					
Serial Bonds - 3.00% - 4.35%	5,755,000	0	120,000	5,635,000	120,000
Term Bonds - 3.00% - 4.35%	750,000	0	0	750,000	0
Capital Appreciation Bonds - 10.33%	909,909	0	0	909,909	0
Accretion on Capital					
Appreciation Bonds	276,387	125,694	0	402,081	0
Premium on Refunding Series 2005	609,938	0	27,724	582,214	0
Loss on Refunding Series 2005	(357,110)	0	(59,518)	(297,592)	0
London Refunding Series 2006					
Serial Bonds - 3.50% - 4.00%	5,810,000	0	135,000	5,675,000	140,000
Term Bonds - 3.50% - 4.00%	1,070,000	0	0	1,070,000	0
Capital Appreciation Bonds - 10.15%	999,955	0	0	999,955	0
Accretion on Capital					
Appreciation Bonds	268,934	132,053	0	400,987	0
Premium on Refunding Series 2006	663,612	0	44,241	619,371	0
Loss on Refunding Series 2006	(398,253)	0	(66,376)	(331,877)	0
Capital Leases	269,612	284,977	149,183	405,406	140,894
Compensated Absences	927,816	230,722	215,668	942,870	179,309
Total Governmental Activities					
Long-Term Obligations	<u>\$27,485,800</u>	<u>\$773,446</u>	<u>\$1,695,922</u>	<u>\$26,563,324</u>	<u>\$1,990,203</u>

School Facilities Construction and Improvement Bonds 2001 - On October 16, 2001, the School District issued \$29,910,000 in general obligation bonds for the purpose of constructing new classroom facilities under the State of Ohio Classroom Facilities Assistance Program and for the repayment of bond anticipation notes issued for this project. The bonds will be repaid from the Debt Service Fund. During fiscal year 2006, the School District did two advance refundings for portions of the 2001 bonds in the amount of \$15,944,864.

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 15 – LONG-TERM OBLIGATIONS (continued)

London Refunding Series Bonds 2005 - On October 13, 2005, the School District issued \$7,784,909 in General Obligation Bonds to advance refund a portion of the outstanding School Facilities Construction and Improvement 2001 General Obligation Bonds. At June 30, 2009, \$7,784,909 of the refunded bonds were outstanding.

The serial bonds originally issued in the amount of \$6,125,000 have maturity dates of December 1, 2005, to December 1, 2019, and December 1, 2024, to December 1, 2029.

The term bonds originally issued in the amount of \$750,000, will mature on December 1, 2020, 2021, 2022, and 2023.

The capital appreciation bonds issued at \$909,909, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal year 2016 in the amount of \$2,525,000. Accretion on the capital appreciation bonds for fiscal year 2009 was \$125,694.

The bonds will be retired from the Debt Service Fund.

London Refunding Series Bonds 2006 - On January 5, 2006, the School District issued \$8,159,955 in General Obligation Bonds to advance refund a portion of the outstanding School Facilities Construction and Improvement 2001 General Obligation Bonds. At June 30, 2009, \$8,159,955 of the refunded bonds were outstanding.

The serial bonds issued at \$6,090,000 have maturity dates of December 1, 2006, to December 1, 2013, December 1, 2015 to December 1, 2016, and December 1, 2019 to December 1, 2022.

The term bonds issued at \$1,070,000, will mature on December 1, 2017 and 2018.

The capital appreciation bonds issued at \$999,955, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal year 2015 in the amount of \$2,415,000. Accretion on the capital appreciation bonds for fiscal year 2009 was \$132,053.

The bonds will be retired from the Debt Service Fund.

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 15 – LONG-TERM OBLIGATIONS (continued)

Capital leases will be paid from the General Fund. Compensated absences will be paid from the General Fund and the Food Service, and Poverty Based Assistance Special Revenue Funds.

The School District's overall legal debt margin was \$4,715,935 with an unvoted debt margin of \$296,434 at June 30, 2009.

Principal and interest requirements to retire the general obligation debt outstanding at June 30, 2009, are as follows:

Fiscal Year Ending June 30,	Serial Bonds Principal	Serial Bonds Interest	Capital	Capital	Term Bonds	Total
			Appreciation Bonds Principal	Appreciation Bonds Interest		
2010	\$1,670,000	\$898,770	\$0	\$0	\$0	\$2,568,770
2011	1,815,000	833,055	0	0	0	2,648,055
2012	1,965,000	759,150	0	0	0	2,724,150
2013	2,325,000	661,425	0	0	0	2,986,425
2014	2,425,000	541,111	0	0	0	2,966,111
2015-2019	2,795,000	2,067,334	1,909,864	3,030,136	1,070,000	10,872,334
2020-2024	2,355,000	1,329,112	0	0	750,000	4,434,112
2025-2029	3,880,000	616,749	0	0	0	4,496,749
2030	880,000	19,140	0	0	0	899,140
Total	\$20,110,000	\$7,725,846	\$1,909,864	\$3,030,136	\$1,820,000	\$34,595,846

NOTE 16 – NOTES PAYABLE

Activity related to the School District's tax anticipation notes payable is as follows:

	Principal	Additions	Deductions	Principal
	Outstanding 6/30/08			Outstanding 6/30/09
<u>Governmental Activities:</u>				
Tax Anticipation Notes - 5.75%	\$765,000	\$0	\$240,000	\$525,000

The notes are shown as a liability on the fund financial statements in the General Fund which received the proceeds. The proceeds were used for capital improvements.

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 16 – NOTES PAYABLE (continued)

The annual maturities of the tax anticipation notes as of June 30, 2009, are as follows:

Tax Anticipation Notes			
Fiscal year Ending June 30,	Principal	Interest	Total
2010	\$255,000	\$24,207	\$279,207
2011	270,000	8,438	278,438
Total	\$525,000	\$32,645	\$557,645

NOTE 17 – INTERFUND ACTIVITY

Interfund balances at June 30, 2009, consist of the following interfund receivable and payable:

		Receivable
		General Fund
Payable	Other	
	Governmental Funds	\$394,126

During fiscal year 2009, several Nonmajor Governmental Funds had negative cash balances. The General Fund made advances totaling \$394,126 to eliminate the negative balances in these Nonmajor Governmental Funds.

The following table shows transfers made during the fiscal year:

		Transfers From		
		General Fund	Other Governmental Funds	Total
Transfers To	General	\$0	\$13,097	\$13,097
	Ohio School Facilities Commission	0	37,077	37,077
	Other Governmental Funds	159,375	95,147	254,522
	Totals	\$159,375	\$145,321	\$304,696

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 17 – INTERFUND ACTIVITY (continued)

During fiscal year 2009, the General Fund had transfers to Other Governmental Funds to subsidize the cost of various programs. The Permanent Improvement Nonmajor Capital Projects Fund had transfers to the Ohio Classroom Facilities Capital Projects Fund to help subsidize the cost of the building project. Other Governmental Funds had transfers to the General Fund due to a posting error in the prior fiscal year and the closing of programs. Other Governmental Funds had transfers to Other Governmental Funds due to the closeout of programs and moving excess balances to other nonmajor programs.

NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS, PUBLIC ENTITY SHARED RISK POOL, INSURANCE PURCHASING POOL, AND RELATED ORGANIZATION

Jointly Governed Organizations

Metropolitan Educational Council

The School District participates in the Metropolitan Educational Council (MEC), a jointly governed organization. The organization is composed of over 100 members, which includes school districts, joint vocational schools, educational service centers, and libraries covering 24 counties in Central Ohio. MEC helps its members purchase services, insurances, supplies, and other items at a discounted rate. The governing board of MEC is composed of either the superintendent, a designated representative or a member of the board of education for each participating school district in Franklin County (18 school districts) and one representative from each county outside Franklin County. Each fiscal year, the participating school districts pay a membership fee to MEC to cover the costs of administering the program. The School District paid \$2,000 to MEC during fiscal year 2009. Financial information may be obtained from the Metropolitan Educational Council, Sue Ward, who serves as fiscal officer, at 2100 Citygate Drive, Columbus, OH 43219.

Tolles Career and Technical Center

The Tolles Career and Technical Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the seven participating school district's elected boards, which possesses its own budgeting and taxing authority. To obtain financial information, write to the Tolles Career and Technical Center, Treasurer, 7877 U.S. Route 42 South, Plain City, Ohio 43064.

Central Madison Joint Recreation District

The Central Madison Joint Recreation District (CMJRD) is a taxing entity whose purpose is to create recreational facilities in areas that include the City of London, London City School District, and Somerford and Deercreek Townships. The CMJRD operates under the direction of a four-member board consisting of one representative appointed by each participating entity. To obtain financial information, write to Kristen Gross, Treasurer, 271 Elm Street, London, Ohio 43140.

NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS, PUBLIC ENTITY SHARED RISK POOL, INSURANCE PURCHASING POOL, AND RELATED ORGANIZATION

(continued)

Public Entity Shared Risk Pool

Schools of Ohio Risk Sharing Authority

The School District participates in the Schools of Ohio Risk Sharing Authority (SORSA), a risk sharing insurance pool. The pool consists of 62 school districts, joint vocational schools, and educational service centers throughout Ohio who pool risk for property, crime, liability, boiler and machinery, and public official liability coverage. SORSA is governed by a board of trustees elected by members. The School District pays an annual premium to SORSA for this coverage. The premium for fiscal year 2009 equaled \$64,473 for property, fleet, and liability insurance. Reinsurance is purchased to cover claims exceeding this amount and for all claims related to equipment breakdown coverage. In the event that the School District would withdraw from SORSA, the School District would be required to give advance written notice prior to the end of their three year contract. There is no penalty for early withdrawal and the School District would not be held responsible for any outstanding claims.

Insurance Purchasing Pool

Ohio School Boards Association Workers' Compensation Group Rating Plan

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association (OSBA). The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each fiscal year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Related Organization

London Public Library

The London Public Library, a related organization of the School District, is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the London City School District Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies. Although the School District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the London Public Library, Rebecca Stickel, Fiscal Officer, 20 E. First Street, London, Ohio 43410.

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 19 – SET-ASIDE CALCULATIONS

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

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

	Textbooks and Instructional Materials	Capital Acquisitions
Set-aside Reserve Balance as of June 30, 2008	\$171,007	\$0
Current Fiscal Year Set-aside Requirement	343,834	343,834
Current Fiscal Year Offsets	0	0
Qualifying Disbursements	(789,651)	(656,656)
Set-aside Reserve Balance as of June 30, 2009	(\$274,810)	(\$312,822)
Required Set-aside Balances Carried Forward to FY 2010	(\$274,810)	\$0

Although the School District had offsets and qualifying expenditures for capital acquisitions that exceeded the set-aside requirements, these amounts may not be used to reduce the set-aside requirements of future fiscal years and therefore are not presented as being carried forward to the next fiscal year.

NOTE 20 – CONTINGENCIES

Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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 School District at June 30, 2009.

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 20 – CONTINGENCIES (continued)

Litigation

The School District is party to a legal proceeding. However, no liability has been accrued since the ultimate disposition of this claim and legal proceedings has yet to be determined and the amount of liability, if any, is not measurable.

NOTE 21 – CONTRACTUAL COMMITMENTS

The following table provides a summary of the outstanding contractual commitments for various projects as of June 30, 2009:

<u>Contractor</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Amount Outstanding</u>
SHP Leading Design	\$1,268,643	\$385,176	\$883,467
Environmental Demolition Group, LLC	255,000	129,250	125,750
Tony Smith Wrecking	138,350	0	138,350
Stan & Associates, Inc.	92,487	6,047	86,440
Lawhon & Associates, Inc.	34,080	10,575	23,505
	<u>\$1,788,560</u>	<u>\$531,048</u>	<u>\$1,257,512</u>

NOTE 22 – CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2009, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 49, “Accounting and Financial Reporting for Pollution Remediation Obligations,” Statement No. 52, “Land and Other Real Estate Held as Investments by Endowments,” Statement No. 55, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,” and Statement No. 56, “Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards.”

GASB Statement No. 49 addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effect of existing pollution by participating in pollution remediation activities such as site assessments and cleanup. The implementation of this statement did not result in any change to the School District’s financial statements.

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments are also required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value. The implementation of this statement did not result in any change in the School District’s financial statements.

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 22 – CHANGES IN ACCOUNTING PRINCIPLES (continued)

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB authoritative literature. The GAAP hierarchy consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The implementation of this statement did not result in any change in the School District's financial statements.

GASB Statement No. 56 incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants' and auditing literature into the GASB's accounting and financial reporting literature for state and local governments. The statement's guidance addresses related party transactions, going concern considerations, and subsequent events from the AICPA literature. The implementation of this statement did not result in any change in the School District's financial statements.

NOTE 23 – SUBSEQUENT EVENT

On September 1, 2009, the School District entered into a contract with the City of London for the purpose of acquiring new property for the future site of the new Middle School through a land exchange agreement. The contract also included an agreement for the School District to lease the property exchanged in order for school operations to continue until the new building is completed. The lease is for \$200,000 a year and runs through August 2011. After August 2011, the School District will lease the property at a rate based on square footage on a month by month basis.

On September 21, 2009, an agreement was reached on the legal proceeding. As a result, the plaintiff was awarded \$21,000.

NOTE 24 – RELATED PARTY TRANSACTION

The Academy is a component unit of the London City School District. The Academy and the Sponsor entered into a 5-year sponsorship agreement on June 25, 2007 whereby terms of the sponsorship were established.

The Academy is required annually to pay to the School District, from funding provided to the Academy by the Ohio Department of Education pursuant to Section 3314.03(C) of the Ohio Revised Code, such amounts as are mutually agreed, including fees for any services to the Academy by the Sponsor.

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 25 – DISCRETELY PRESENTED COMPONENT UNIT

During fiscal year 2009, the Academy paid London City School District \$1,998,099 for personnel (all teaching and administrative personnel are employees of London City School District); insurance; pension and retirement benefits; curriculum materials, textbooks, computers and other equipment, software, and supplies; as well as utilities, janitorial services, legal and financial management services, and sponsorship services.

London Academy

As indicated in Note 1 to the Basic Financial Statements, the following disclosures are made on behalf of London Academy:

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

Basis Of Presentation

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

Measurement Focus and Basis of Accounting

The London Academy uses the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Cash and Cash Equivalents

The Academy's Treasurer accounts for all monies received by the Academy. The Academy maintains two interest bearing depository accounts and all funds of the Academy are maintained in these accounts. These accounts are presented on the Statement of Net Assets as Cash and Cash Equivalents.

Intergovernmental Receivable

Intergovernmental Receivable represents intergovernmental revenue to be received from various State and federal grants.

LONDON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 25 – DISCRETELY PRESENTED COMPONENT UNIT (continued)

Capital Assets

A summary of London Academy’s capital assets at June 30, 2009, follows:

Furniture, Fixtures and Equipment	\$88,621
Less: Accumulated Depreciation	<u>(66,356)</u>
Capital Assets, Net	<u><u>\$22,265</u></u>

Due to Primary Government

London Academy had \$154 due to the Primary Government at fiscal year-end for the payment of services in accordance with a purchased service agreement.

LONDON CITY SCHOOL DISTRICT
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

LONDON CITY SCHOOL DISTRICT

Nonmajor Governmental Fund Descriptions

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The following are descriptions of the School District's nonmajor special revenue funds:

Nonmajor Special Revenue Funds

Cafeteria

To account for the provision of food services for the School District.

Education Foundation

To account for local monies received as a result of any bequest, gift, or endowment given to the School District. Monies are to be used for scholarships.

Public School Support

To account for local revenue sources such as sales of pictures and book-fair receipts. Monies are used to fund special events.

Underground Storage Tank

To account for the mandated amount for school districts who have underground storage tanks on their property. The School District did not anticipate any activity in this fund, and none occurred.

Ohio Classroom Facilities Maintenance

To account for property tax revenues that are restricted to expenditures for the maintenance and upkeep of School District classroom facilities.

District Managed Student Activities

To account for student activity programs which have student participation in the activities, but do not have student management of the programs.

Auxiliary Services Non Public

To account for local monies which provide services and materials to pupils attending non-public schools within the School District.

London Professional Development

To account for receipts and expenditures necessary for providing assistance to local school districts for the development of in-service programs.

(continued)

LONDON CITY SCHOOL DISTRICT

Nonmajor Governmental Fund Descriptions - (continued)

Nonmajor Special Revenue Funds - (continued)

Education Management Information Systems

To account for State reimbursements for hardware and software development, utilities, materials and supplies, or other costs associated with the requirements of the management information system.

Entry Year Grant

To account for State grant monies used in the mentor program.

Data Communications

To account for State grant monies used in the Ohio Educational Computer Network Connections program.

SchoolNet Professional Development

To account for State grant monies used to provide professional development for teachers.

Poverty Based Assistance

To account for State monies provided for the improvement of the educational and cultural status of disadvantaged pupils.

Miscellaneous State Grants

To account for various State monies received from State agencies which are not classified elsewhere.

Adult Basic Literacy Education

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

Title VI-B

To account for federal funds used for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels, and to assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

Bilingual Education Program

To account for federal funds used to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

(continued)

LONDON CITY SCHOOL DISTRICT

Nonmajor Governmental Fund Descriptions - (continued)

Nonmajor Special Revenue Funds - (continued)

Title I

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

Title II

To account for federal funds used to provide programs for gifted students; instructional materials to improve the quality of instruction; programs of professional development; and programs to enhance personal excellence of students and student achievement.

Safe and Drug Free Schools

To account for federal funds provided to local educational agencies and consortia of these agencies to establish, operate and improve local programs of drug abuse prevention, early intervention, rehabilitation referral and education in elementary and secondary schools, and to engage in development, training, technical assistance and coordination activities.

IDEA Preschool

To account for federal monies used to support preschool improvement and expansion of services for handicapped children ages three through five years.

Title II-A

To account for federal monies used to help schools increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and principals in the schools; and hold schools accountable for improvements in student academic achievements.

Miscellaneous Federal Grants

To account for various federal monies received from federal agencies which are not classified elsewhere.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are established to account for the receipts and expenditures involved in the replacement or updating of equipment and other capital assets essential for the instruction of students.

(continued)

LONDON CITY SCHOOL DISTRICT

Nonmajor Governmental Fund Descriptions - (continued)

Nonmajor Capital Projects Funds

Permanent Improvement

To account for all transactions relating to the acquiring, constructing, or improving of such permanent improvements as authorized by Chapter 5705, Revised Code.

Building

To account for the receipts and expenditures related to special bond funds in the School District. All proceeds from the sale of bonds, notes, or certificates of indebtedness, except premiums and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs of acquiring capital facilities, including real property.

LONDON CITY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$300,628	\$90,927	\$391,555
Receivables:			
Intergovernmental	547,068	0	547,068
Accounts	1,142	0	1,142
Materials and Supplies Inventory	8,402	0	8,402
<i>Total Assets</i>	<u>\$857,240</u>	<u>\$90,927</u>	<u>\$948,167</u>
<u>Liabilities:</u>			
Accounts Payable	\$25,658	\$1,288	\$26,946
Contracts Payable	0	5,878	5,878
Accrued Wages and Benefits Payable	88,939	0	88,939
Intergovernmental Payable	53,408	0	53,408
Interfund Payable	288,635	105,491	394,126
Deferred Revenue	498,141	0	498,141
<i>Total Liabilities</i>	<u>954,781</u>	<u>112,657</u>	<u>1,067,438</u>
<u>Fund Balances:</u>			
Reserved for Encumbrances	86,089	0	86,089
Unreserved, Undesignated (Deficit), Reported in:			
Special Revenue Funds	(183,630)	0	(183,630)
Capital Projects Funds	0	(21,730)	(21,730)
<i>Total Fund Balances (Deficit)</i>	<u>(97,541)</u>	<u>(21,730)</u>	<u>(119,271)</u>
 <i>Total Liabilities and Fund Balances</i>	 <u>\$857,240</u>	 <u>\$90,927</u>	 <u>\$948,167</u>

LONDON CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Intergovernmental	\$1,754,386	\$0	\$1,754,386
Interest	0	11,836	11,836
Extracurricular Activities	142,141	0	142,141
Customer Sales and Services	304,947	0	304,947
Contributions and Donations	63,610	0	63,610
Miscellaneous	13,134	0	13,134
	<hr/>	<hr/>	<hr/>
<i>Total Revenues</i>	2,278,218	11,836	2,290,054
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	221,278	0	221,278
Special	654,250	0	654,250
Adult/Continuing	37,718	0	37,718
Support Services:			
Pupils	83,159	0	83,159
Instructional Staff	86,506	0	86,506
Administration	6,307	0	6,307
Operation and Maintenance of Plant	0	30,164	30,164
Pupil Transportation	22,760	0	22,760
Central	27,951	0	27,951
Operation of Non-Instructional Services:			
Food Service Operations	738,358	0	738,358
Other	113,745	0	113,745
Extracurricular Activities	245,965	0	245,965
Capital Outlay	0	5,878	5,878
	<hr/>	<hr/>	<hr/>
<i>Total Expenditures</i>	2,237,997	36,042	2,274,039
Excess of Revenues Over (Under) Expenditures	40,221	(24,206)	16,015
<u>Other Financing Sources (Uses):</u>			
Transfers In	163,595	90,927	254,522
Transfers Out	(17,317)	(128,004)	(145,321)
	<hr/>	<hr/>	<hr/>
<i>Total Other Financing Sources (Uses)</i>	146,278	(37,077)	109,201
Net Change in Fund Balances	186,499	(61,283)	125,216
Fund Balances (Deficit) at Beginning of Year	(284,040)	39,553	(244,487)
	<hr/>	<hr/>	<hr/>
Fund Balances (Deficit) at End of Year	(\$97,541)	(\$21,730)	(\$119,271)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

LONDON CITY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009

	<u>Cafeteria</u>	<u>Education Foundation</u>	<u>Public School Support</u>	<u>Underground Storage Tank</u>
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$0	\$35,331	\$11,592
Receivables:				
Intergovernmental	42,627	0	0	0
Accounts	0	0	980	0
Materials and Supplies Inventory	8,402	0	0	0
<i>Total Assets</i>	<u>\$51,029</u>	<u>\$0</u>	<u>\$36,311</u>	<u>\$11,592</u>
<u>Liabilities:</u>				
Accounts Payable	\$120	\$0	\$0	\$0
Accrued Wages and Benefits Payable	51,924	0	0	0
Intergovernmental Payable	38,269	0	0	0
Interfund Payable	15,132	17,108	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>105,445</u>	<u>17,108</u>	<u>0</u>	<u>0</u>
<u>Fund Balances:</u>				
Reserved for Encumbrances	561	2,750	427	0
Unreserved, Undesignated (Deficit)	<u>(54,977)</u>	<u>(19,858)</u>	<u>35,884</u>	<u>11,592</u>
<i>Total Fund Balances (Deficit)</i>	<u>(54,416)</u>	<u>(17,108)</u>	<u>36,311</u>	<u>11,592</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$51,029</u>	<u>\$0</u>	<u>\$36,311</u>	<u>\$11,592</u>

<u>Ohio Classroom Facilities Maintenance</u>	<u>District Managed Student Activities</u>	<u>Auxiliary Services Non Public</u>	<u>London Professional Development</u>	<u>Education Management Information Systems</u>	<u>Entry Year Grant</u>	<u>Poverty Based Assistance</u>
\$147,120	\$19,799	\$64,434	\$3,394	\$0	\$0	\$0
0	0	0	0	0	0	0
0	162	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$147,120</u>	<u>\$19,961</u>	<u>\$64,434</u>	<u>\$3,394</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$0	\$3,056	\$10,013	\$0	\$0	\$0	\$0
0	0	0	0	0	0	33,417
0	0	0	0	72	52	1,344
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	3,056	10,013	0	72	52	34,761
0	733	51,267	0	0	0	0
147,120	16,172	3,154	3,394	(72)	(52)	(34,761)
147,120	16,905	54,421	3,394	(72)	(52)	(34,761)
<u>\$147,120</u>	<u>\$19,961</u>	<u>\$64,434</u>	<u>\$3,394</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

(continued)

LONDON CITY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009
(continued)

	Miscellaneous State Grants	Adult Basic Literacy Education	Title VI-B	Title I
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$18,958	\$0	\$0	\$0
Receivables:				
Intergovernmental	0	28,158	144,831	265,158
Accounts	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$18,958</u>	<u>\$28,158</u>	<u>\$144,831</u>	<u>\$265,158</u>
<u>Liabilities:</u>				
Accounts Payable	\$0	\$0	\$11,724	\$745
Accrued Wages and Benefits Payable	0	3,598	0	0
Intergovernmental Payable	0	2,396	8,780	1,996
Interfund Payable	0	14,919	42,459	157,031
Deferred Revenue	0	21,858	144,831	265,158
<i>Total Liabilities</i>	<u>0</u>	<u>42,771</u>	<u>207,794</u>	<u>424,930</u>
<u>Fund Balances:</u>				
Reserved for Encumbrances	0	374	13,227	9,660
Unreserved, Undesignated (Deficit)	18,958	(14,987)	(76,190)	(169,432)
<i>Total Fund Balances (Deficit)</i>	<u>18,958</u>	<u>(14,613)</u>	<u>(62,963)</u>	<u>(159,772)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$18,958</u>	<u>\$28,158</u>	<u>\$144,831</u>	<u>\$265,158</u>

Title II	Safe and Drug Free Schools	IDEA Preschool	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$300,628
0	5,125	0	58,108	3,061	547,068
0	0	0	0	0	1,142
0	0	0	0	0	8,402
<u>\$0</u>	<u>\$5,125</u>	<u>\$0</u>	<u>\$58,108</u>	<u>\$3,061</u>	<u>\$857,240</u>
\$0	\$0	\$0	\$0	\$0	\$25,658
0	0	0	0	0	88,939
0	0	67	432	0	53,408
5,607	5,565	5,070	24,948	796	288,635
0	5,125	0	58,108	3,061	498,141
<u>5,607</u>	<u>10,690</u>	<u>5,137</u>	<u>83,488</u>	<u>3,857</u>	<u>954,781</u>
0	235	0	6,855	0	86,089
<u>(5,607)</u>	<u>(5,800)</u>	<u>(5,137)</u>	<u>(32,235)</u>	<u>(796)</u>	<u>(183,630)</u>
<u>(5,607)</u>	<u>(5,565)</u>	<u>(5,137)</u>	<u>(25,380)</u>	<u>(796)</u>	<u>(97,541)</u>
<u>\$0</u>	<u>\$5,125</u>	<u>\$0</u>	<u>\$58,108</u>	<u>\$3,061</u>	<u>\$857,240</u>

LONDON CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	Cafeteria	Education Foundation	Public School Support	Underground Storage Tank
<u>Revenues:</u>				
Intergovernmental	\$354,627	\$0	\$0	\$0
Extracurricular Activities	0	0	24,061	0
Customer Sales and Services	304,947	0	0	0
Contributions and Donations	0	3,270	31,211	0
Miscellaneous	0	3,989	9,145	0
<i>Total Revenues</i>	<u>659,574</u>	<u>7,259</u>	<u>64,417</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	738,358	0	0	0
Other	0	0	0	0
Extracurricular Activities	0	39,660	61,085	0
<i>Total Expenditures</i>	<u>738,358</u>	<u>39,660</u>	<u>61,085</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(78,784)</u>	<u>(32,401)</u>	<u>3,332</u>	<u>0</u>
<u>Other Financing Sources (Uses):</u>				
Transfers In	0	243	3,977	0
Transfers Out	0	(3,977)	(243)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(3,734)</u>	<u>3,734</u>	<u>0</u>
Net Change in Fund Balances	(78,784)	(36,135)	7,066	0
Fund Balances (Deficit) at Beginning of Year	24,368	19,027	29,245	11,592
Fund Balances (Deficit) at End of Year	<u>(\$54,416)</u>	<u>(\$17,108)</u>	<u>\$36,311</u>	<u>\$11,592</u>

Ohio Classroom Facilities Maintenance	District Managed Student Activities	Auxiliary Services Non Public	London Professional Development	Education Management Information Systems	Entry Year Grant
\$0	\$0	\$127,212	\$0	\$6,165	\$6,300
0	117,734	0	346	0	0
0	0	0	0	0	0
0	29,129	0	0	0	0
0	0	0	0	0	0
0	146,863	127,212	346	6,165	6,300
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	6,285
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	160	6,184	0
0	0	0	0	0	0
0	0	113,745	0	0	0
0	145,220	0	0	0	0
0	145,220	113,745	160	6,184	6,285
0	1,643	13,467	186	(19)	15
147,120	0	0	0	0	0
0	0	0	0	0	0
147,120	0	0	0	0	0
147,120	1,643	13,467	186	(19)	15
0	15,262	40,954	3,208	(53)	(67)
<u>\$147,120</u>	<u>\$16,905</u>	<u>\$54,421</u>	<u>\$3,394</u>	<u>(\$72)</u>	<u>(\$52)</u>

(continued)

LONDON CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009
(continued)

	Data Communications	SchoolNet Professional Development	Poverty Based Assistance	Miscellaneous State Grants
<u>Revenues:</u>				
Intergovernmental	\$12,000	\$2,970	\$149,703	\$5,723
Extracurricular Activities	0	0	0	0
Customer Sales and Services	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>12,000</u>	<u>2,970</u>	<u>149,703</u>	<u>5,723</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	0	148,778	0
Special	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupils	0	0	0	4,334
Instructional Staff	0	1,485	0	0
Administration	0	0	0	0
Pupil Transportation	0	0	0	0
Central	12,000	2,925	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Other	0	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>12,000</u>	<u>4,410</u>	<u>148,778</u>	<u>4,334</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>(1,440)</u>	<u>925</u>	<u>1,389</u>
<u>Other Financing Sources (Uses):</u>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	(4,803)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(4,803)</u>
Net Change in Fund Balances	0	(1,440)	925	(3,414)
Fund Balances (Deficit) at Beginning of Year	<u>0</u>	<u>1,440</u>	<u>(35,686)</u>	<u>22,372</u>
Fund Balances (Deficit) at End of Year	<u>\$0</u>	<u>\$0</u>	<u>(\$34,761)</u>	<u>\$18,958</u>

Adult Basic Literacy Education	Title VI-B	Bilingual Education Program	Title I	Title II	Safe and Drug Free Schools
\$61,871	\$417,177	\$3,735	\$445,223	\$2,377	\$14,408
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>61,871</u>	<u>417,177</u>	<u>3,735</u>	<u>445,223</u>	<u>2,377</u>	<u>14,408</u>
0	0	0	69,955	0	0
0	207,607	792	352,959	0	0
37,718	0	0	0	0	0
0	69,969	0	0	0	8,856
25,704	12,681	0	16,024	0	5,055
2,266	0	0	4,041	0	0
0	22,760	0	0	0	0
0	0	0	0	6,682	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>65,688</u>	<u>313,017</u>	<u>792</u>	<u>442,979</u>	<u>6,682</u>	<u>13,911</u>
<u>(3,817)</u>	<u>104,160</u>	<u>2,943</u>	<u>2,244</u>	<u>(4,305)</u>	<u>497</u>
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(3,817)	104,160	2,943	2,244	(4,305)	497
<u>(10,796)</u>	<u>(167,123)</u>	<u>(2,943)</u>	<u>(162,016)</u>	<u>(1,302)</u>	<u>(6,062)</u>
<u>(\$14,613)</u>	<u>(\$62,963)</u>	<u>\$0</u>	<u>(\$159,772)</u>	<u>(\$5,607)</u>	<u>(\$5,565)</u>

(continued)

LONDON CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009
(continued)

	IDEA Preschool	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
<u>Revenues:</u>				
Intergovernmental	\$13,751	\$120,207	\$10,937	\$1,754,386
Extracurricular Activities	0	0	0	142,141
Customer Sales and Services	0	0	0	304,947
Contributions and Donations	0	0	0	63,610
Miscellaneous	0	0	0	13,134
<i>Total Revenues</i>	<u>13,751</u>	<u>120,207</u>	<u>10,937</u>	<u>2,278,218</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	0	2,545	221,278
Special	3,304	89,588	0	654,250
Adult/Continuing	0	0	0	37,718
Support Services:				
Pupils	0	0	0	83,159
Instructional Staff	14,464	3,847	961	86,506
Administration	0	0	0	6,307
Pupil Transportation	0	0	0	22,760
Central	0	0	0	27,951
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	738,358
Other	0	0	0	113,745
Extracurricular Activities	0	0	0	245,965
<i>Total Expenditures</i>	<u>17,768</u>	<u>93,435</u>	<u>3,506</u>	<u>2,237,997</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,017)</u>	<u>26,772</u>	<u>7,431</u>	<u>40,221</u>
<u>Other Financing Sources (Uses):</u>				
Transfers In	11,146	1,109	0	163,595
Transfers Out	0	0	(8,294)	(17,317)
<i>Total Other Financing Sources (Uses)</i>	<u>11,146</u>	<u>1,109</u>	<u>(8,294)</u>	<u>146,278</u>
Net Change in Fund Balances	7,129	27,881	(863)	186,499
Fund Balances (Deficit) at Beginning of Year	<u>(12,266)</u>	<u>(53,261)</u>	<u>67</u>	<u>(284,040)</u>
Fund Balances (Deficit) at End of Year	<u><u>(\$5,137)</u></u>	<u><u>(\$25,380)</u></u>	<u><u>(\$796)</u></u>	<u><u>(\$97,541)</u></u>

LONDON CITY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2009

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$0	\$90,927	\$90,927
<u>Liabilities:</u>			
Accounts Payable	\$0	\$1,288	\$1,288
Contracts Payable	0	5,878	5,878
Interfund Payable	105,491	0	105,491
<i>Total Liabilities</i>	105,491	7,166	112,657
<u>Fund Balances:</u>			
Unreserved, Undesignated (Deficit)	(105,491)	83,761	(21,730)
<i>Total Liabilities and Fund Balances</i>	\$0	\$90,927	\$90,927

LONDON CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2009

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Revenues:</u>			
Interest	\$11,836	\$0	\$11,836
<u>Expenditures:</u>			
Current:			
Operation and Maintenance of Plant	28,876	1,288	30,164
Capital Outlay	0	5,878	5,878
<i>Total Expenditures</i>	<u>28,876</u>	<u>7,166</u>	<u>36,042</u>
Excess of Revenues Under Expenditures	<u>(17,040)</u>	<u>(7,166)</u>	<u>(24,206)</u>
<u>Other Financing Sources (Uses):</u>			
Transfers In	0	90,927	90,927
Transfers Out	<u>(128,004)</u>	<u>0</u>	<u>(128,004)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(128,004)</u>	<u>90,927</u>	<u>(37,077)</u>
Net Change in Fund Balances	(145,044)	83,761	(61,283)
Fund Balances at Beginning of Year	<u>39,553</u>	<u>0</u>	<u>39,553</u>
Fund Balances (Deficit) at End of Year	<u><u>(\$105,491)</u></u>	<u><u>\$83,761</u></u>	<u><u>(\$21,730)</u></u>

LONDON CITY SCHOOL DISTRICT

Fiduciary Fund Descriptions

AGENCY FUNDS

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

District Agency

To account for the receipts and expenditures for employee benefits.

Student Managed Activity

To account for student activity programs which have student participation in the activity and have students involved in the management of the program.

London Academy Grants

To account for federal and State grant monies that are received and expended on behalf of London Academy, a component unit of the School District.

LONDON CITY SCHOOL DISTRICT
Statement of Changes in Assets and Liabilities
 Agency Fund
 For the Fiscal Year Ended June 30, 2009

	Balance at 6/30/2008	Additions	Deletions	Balance at 6/30/2009
DISTRICT AGENCY				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$132	\$2,249,332	\$2,248,882	\$582
<u>Liabilities:</u>				
Due to Other Governments	\$132	\$2,249,332	\$2,248,882	\$582
STUDENT MANAGED ACTIVITY				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$50,982	\$155,147	\$142,621	\$63,508
<u>Liabilities:</u>				
Due to Students	\$50,982	\$155,147	\$142,621	\$63,508
LONDON ACADEMY GRANTS				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$165,338	\$165,338	\$0
<u>Liabilities:</u>				
Undistributed Monies	\$0	\$165,338	\$165,338	\$0
TOTAL - ALL AGENCY FUNDS				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$51,114	\$2,569,817	\$2,556,841	\$64,090
<u>Liabilities:</u>				
Due to Other Governments	\$132	\$2,249,332	\$2,248,882	\$582
Due to Students	50,982	155,147	142,621	63,508
Undistributed Monies	0	165,338	165,338	0
<i>Total Liabilities</i>	\$51,114	\$2,569,817	\$2,556,841	\$64,090

LONDON CITY SCHOOL DISTRICT

**INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**

LONDON CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$6,701,897	\$6,881,839	\$6,881,839	\$0
Revenue in Lieu of Taxes	\$407,532	434,398	434,398	0
Income Taxes	\$3,055,297	3,055,297	3,055,297	0
Intergovernmental	8,391,048	8,944,210	8,994,249	50,039
Interest	4,231	4,510	4,510	0
Tuition and Fees	460,264	490,606	490,606	0
Extracurricular Activities	28,184	30,042	30,042	0
Customer Sales and Services	1,843,787	1,965,335	1,965,335	0
Contributions and Donations	456	486	486	0
Rent	1,947	2,075	2,075	0
Miscellaneous	37,521	39,994	39,994	0
Total Revenues	20,932,164	21,848,792	21,898,831	50,039
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries	5,496,630	5,721,032	5,675,682	45,350
Fringe Benefits	1,933,205	1,972,831	1,972,831	0
Purchased Services	1,391,720	1,168,472	1,168,472	0
Materials and Supplies	523,121	732,740	732,740	0
Capital Outlay	81,932	6,959	6,959	0
Total Regular	9,426,608	9,602,034	9,556,684	45,350
Special:				
Salaries	890,736	1,086,651	1,086,651	0
Fringe Benefits	457,734	485,407	485,407	0
Purchased Services	757,320	985,589	985,589	0
Materials and Supplies	4,222	5,015	5,015	0
Other	40,000	397,731	397,731	0
Total Special	2,150,012	2,960,393	2,960,393	0
Vocational:				
Salaries	224,193	225,059	225,059	0
Fringe Benefits	82,009	84,430	84,430	0
Purchased Services	310	0	0	0
Materials and Supplies	5,800	3,275	3,275	0
Capital Outlay	318	317	317	0
Total Vocational	312,630	313,081	313,081	0
Total Instruction	\$11,889,250	\$12,875,508	\$12,830,158	\$45,350

(continued)

LONDON CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2009
(continued)

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Support Services:				
Pupils:				
Salaries	\$447,196	\$432,141	\$432,141	\$0
Fringe Benefits	152,798	161,923	161,923	0
Purchased Services	42,692	45,509	45,509	0
Materials and Supplies	4,650	5,176	5,176	0
Other	350	0	0	0
Total Pupils	<u>647,686</u>	<u>644,749</u>	<u>644,749</u>	<u>0</u>
Instructional Staff:				
Salaries	475,804	642,682	641,503	1,179
Fringe Benefits	326,396	362,479	362,479	0
Purchased Services	5,800	5,762	5,762	0
Materials and Supplies	17,965	20,298	20,298	0
Capital Outlay	0	7,047	7,047	0
Total Instructional Staff	<u>825,965</u>	<u>1,038,268</u>	<u>1,037,089</u>	<u>1,179</u>
Board of Education:				
Salaries	10,752	10,875	10,875	0
Fringe Benefits	1,752	1,751	1,751	0
Purchased Services	30,192	41,628	41,628	0
Materials and Supplies	6,200	8,787	8,787	0
Other	43,000	37,107	37,107	0
Total Board of Education	<u>91,896</u>	<u>100,148</u>	<u>100,148</u>	<u>0</u>
Administration:				
Salaries	1,201,118	1,239,704	1,238,531	1,173
Fringe Benefits	385,185	398,867	398,867	0
Purchased Services	57,550	90,882	90,882	0
Materials and Supplies	29,830	30,597	30,597	0
Capital Outlay	0	6,186	6,186	0
Other	5,200	2,755	2,755	0
Total Administration	<u>1,678,883</u>	<u>1,768,991</u>	<u>1,767,818</u>	<u>1,173</u>
Fiscal:				
Salaries	163,306	176,948	176,918	30
Fringe Benefits	76,202	76,652	76,652	0
Purchased Services	77,500	93,967	93,967	0
Materials and Supplies	2,100	1,778	1,778	0
Capital Outlay	0	50	50	0
Other	48,500	215,797	215,797	0
Total Fiscal	<u>\$367,608</u>	<u>\$565,192</u>	<u>\$565,162</u>	<u>\$30</u>

(continued)

LONDON CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2009
(continued)

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Operation and Maintenance of Plant:				
Salaries	\$517,273	\$654,706	\$654,706	\$0
Fringe Benefits	185,491	241,512	241,512	0
Purchased Services	978,801	1,193,405	1,193,405	0
Materials and Supplies	121,750	121,650	121,650	0
Capital Outlay	99	46,470	46,470	0
Other	2,450	1,390	1,390	0
Total Operation and Maintenance of Plant	<u>1,805,864</u>	<u>2,259,133</u>	<u>2,259,133</u>	<u>0</u>
Pupil Transportation:				
Salaries	421,010	404,379	404,379	0
Fringe Benefits	198,867	201,941	201,941	0
Purchased Services	30,351	36,998	36,998	0
Materials and Supplies	193,170	187,389	187,389	0
Capital Outlay	173,162	198,490	198,490	0
Other	500	278	278	0
Total Pupil Transportation	<u>1,017,060</u>	<u>1,029,475</u>	<u>1,029,475</u>	<u>0</u>
Central:				
Salaries	96,051	99,914	99,914	0
Fringe Benefits	47,449	49,801	49,801	0
Purchased Services	75,153	96,277	96,277	0
Materials and Supplies	26,098	24,540	24,540	0
Capital Outlay	153,753	115,666	115,666	0
Total Central	<u>398,504</u>	<u>386,198</u>	<u>386,198</u>	<u>0</u>
Total Support Services	<u>6,833,466</u>	<u>7,792,154</u>	<u>7,789,772</u>	<u>2,382</u>
Extracurricular Activities:				
Academic Oriented Activities:				
Salaries	\$45,240	58,720	45,170	13,550
Fringe Benefits	14,164	7,164	7,164	0
Total Academic Oriented Activities	<u>59,404</u>	<u>65,884</u>	<u>52,334</u>	<u>13,550</u>
Sports Oriented Activities:				
Salaries	218,000	211,458	211,458	0
Fringe Benefits	41,455	42,930	42,930	0
Total Sports Oriented Activities	<u>\$259,455</u>	<u>\$254,388</u>	<u>\$254,388</u>	<u>\$0</u>

(continued)

LONDON CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2009
(continued)

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
School and Public Service Co-Curricular Activities:				
Salaries	\$106,692	\$83,493	\$83,493	\$0
Fringe Benefits	25,303	24,327	24,327	0
Other	0	5,562	5,562	0
Total School and Public Service Co-Curricular Activities	131,995	113,382	113,382	0
Total Extracurricular Activities	450,854	433,654	420,104	13,550
Capital Outlay:				
Site Improvement Services:				
Purchased Services	0	4,400	4,400	0
Debt Service:				
Principal Retirement	240,000	240,000	240,000	0
Interest and Fiscal Charges	39,000	39,000	38,438	562
Total Debt Service	279,000	279,000	278,438	562
Total Expenditures	19,452,570	21,384,716	21,322,872	61,844
Excess of Revenues Over Expenditures	1,479,594	464,076	575,959	111,883
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	4,996	5,325	5,325	0
Transfers In	12,236	13,097	13,097	0
Transfers Out	0	(12,255)	(159,375)	(147,120)
Total Other Financing Sources (Uses)	17,232	6,167	(140,953)	(147,120)
Net Change in Fund Balance	1,496,826	470,243	435,006	(35,237)
Fund Balance at Beginning of Year	3,035,317	3,035,317	3,035,317	0
Prior Year Encumbrances Appropriated	173,547	173,547	173,547	0
Fund Balance at End of Year	\$4,705,690	\$3,679,107	\$3,643,870	(\$35,237)

LONDON CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Debt Service Fund
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>			
Property Taxes	\$2,467,425	\$2,545,305	\$77,880
Intergovernmental	0	373,620	373,620
<i>Total Revenues</i>	<u>2,467,425</u>	<u>2,918,925</u>	<u>451,500</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Fiscal:			
Other	48,600	54,938	(6,338)
Debt Service:			
Principal Retirement	0	1,385,000	(1,385,000)
Interest and Fiscal Charges	0	954,243	(954,243)
Total Debt Service	<u>0</u>	<u>2,339,243</u>	<u>(2,339,243)</u>
<i>Total Expenditures</i>	<u>48,600</u>	<u>2,394,181</u>	<u>(2,345,581)</u>
<i>Net Change in Fund Balance</i>	2,418,825	524,744	(1,894,081)
<i>Fund Balance at Beginning of Year</i>	<u>1,352,003</u>	<u>1,352,003</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$3,770,828</u></u>	<u><u>\$1,876,747</u></u>	<u><u>(\$1,894,081)</u></u>

LONDON CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Ohio Classroom Facilities Capital Projects Fund
For the Fiscal Year Ended June 30, 2009*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>			
Intergovernmental	\$0	\$1,372,454	\$1,372,454
<u>Expenditures:</u>			
Capital Outlay:			
Site Improvement Services:			
Purchased Services	14,300	14,300	0
Architecture and Engineering Services:			
Purchased Services	92,487	92,487	0
Building Acquisition and Construction Services:			
Capital Outlay	56,585	56,585	0
Other	14,090	14,090	0
Total Building Acquisition and Construction Services	70,675	70,675	0
<i>Total Expenditures</i>	177,462	177,462	0
Excess of Revenues Over Expenditures	(177,462)	1,194,992	1,372,454
<u>Other Financing Sources (Uses):</u>			
Transfers In	128,004	128,004	0
Transfers Out	(90,927)	(90,927)	0
<i>Total Other Financing Sources (Uses)</i>	37,077	37,077	0
<i>Net Change in Fund Balance</i>	(140,385)	1,232,069	1,372,454
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	<u>(\$140,385)</u>	<u>\$1,232,069</u>	<u>\$1,372,454</u>

LONDON CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Cafeteria Special Revenue Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Variance Positive (Negative)
	Final	Actual	
<u>Revenues:</u>			
Intergovernmental	\$348,218	\$306,382	(\$41,836)
Customer Sales and Services	346,782	304,947	(41,835)
<i>Total Revenues</i>	695,000	611,329	(83,671)
<u>Expenditures:</u>			
Current:			
Operation of Non-Instructional Services:			
Food Service Operations:			
Salaries	272,734	273,094	(360)
Fringe Benefits	137,432	137,433	(1)
Purchased Services	12,792	12,792	0
Materials and Supplies	264,934	264,934	0
Capital Outlay	1,899	1,899	0
<i>Total Expenditures</i>	689,791	690,152	(361)
<i>Net Change in Fund Balance</i>	5,209	(78,823)	(84,032)
<i>Fund Balance at Beginning of Year</i>	62,231	62,231	0
<i>Prior Year Encumbrances Appropriated</i>	779	779	0
<i>Fund Balance (Deficit) at End of Year</i>	\$68,219	(\$15,813)	(\$84,032)

LONDON CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Education Foundation Special Revenue Fund
For the Fiscal Year Ended June 30, 2009*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>			
Contributions and Donations	\$26,685	\$3,270	(\$23,415)
Miscellaneous	32,193	3,989	(28,204)
<i>Total Revenues</i>	58,878	7,259	(51,619)
<u>Expenditures:</u>			
Current:			
Extracurricular Activities:			
School and Public Service Co-Curricular Activities:			
Other	60,533	42,410	18,123
Excess of Revenues Under Expenditures	(1,655)	(35,151)	(33,496)
<u>Other Financing Sources (Uses):</u>			
Transfers In	1,840	243	(1,597)
Transfers Out	(3,977)	(3,977)	0
<i>Total Other Financing Sources (Uses)</i>	(2,137)	(3,734)	(1,597)
<i>Net Change in Fund Balance</i>	(3,792)	(38,885)	(35,093)
<i>Fund Balance at Beginning of Year</i>	19,027	19,027	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$15,235</u>	<u>(\$19,858)</u>	<u>(\$35,093)</u>

LONDON CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Public School Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>			
Extracurricular Activities	\$21,675	\$24,061	\$2,386
Contributions and Donations	27,399	30,381	2,982
Miscellaneous	8,133	8,995	862
<i>Total Revenues</i>	<u>57,207</u>	<u>63,437</u>	<u>6,230</u>
<u>Expenditures:</u>			
Current:			
Extracurricular Activities:			
School and Public Service Co-Curricular Activities:			
Capital Outlay	12,500	12,500	0
Other	70,508	49,110	21,398
<i>Total Expenditures</i>	<u>83,008</u>	<u>61,610</u>	<u>21,398</u>
Excess of Revenues Over (Under) Expenditures	<u>(25,801)</u>	<u>1,827</u>	<u>27,628</u>
<u>Other Financing Sources (Uses):</u>			
Transfers In	3,579	3,977	398
Transfers Out	(243)	(243)	0
<i>Total Other Financing Sources (Uses)</i>	<u>3,336</u>	<u>3,734</u>	<u>398</u>
<i>Net Change in Fund Balance</i>	<u>(22,465)</u>	<u>5,561</u>	<u>28,026</u>
<i>Fund Balance at Beginning of Year</i>	27,747	27,747	0
<i>Prior Year Encumbrances Appropriated</i>	<u>1,596</u>	<u>1,596</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$6,878</u></u>	<u><u>\$34,904</u></u>	<u><u>\$28,026</u></u>

LONDON CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Underground Storage Tank Special Revenue Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Variance Positive (Negative)
	Final	Actual	
<u>Revenues:</u>	\$0	\$0	\$0
<u>Expenditures:</u>	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	11,592	11,592	0
<i>Fund Balance at End of Year</i>	\$11,592	\$11,592	\$0

LONDON CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Ohio Classroom Facilities Maintenance Special Revenue Fund
For the Fiscal Year Ended June 30, 2009*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>	\$0	\$0	\$0
<u>Expenditures:</u>	0	0	0
<u>Other Financing Sources:</u>			
Transfers In	<u>0</u>	<u>147,120</u>	<u>147,120</u>
<i>Net Change in Fund Balance</i>	0	147,120	147,120
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$147,120</u></u>	<u><u>\$147,120</u></u>

LONDON CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
District Managed Student Activities Special Revenue Fund
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>			
Extracurricular Activities	\$153,523	\$117,572	(\$35,951)
Contributions and Donations	38,117	29,129	(8,988)
<i>Total Revenues</i>	<u>191,640</u>	<u>146,701</u>	<u>(44,939)</u>
<u>Expenditures:</u>			
Current:			
Extracurricular Activities:			
Sports Oriented Activities:			
Purchased Services	33,538	33,538	0
Capital Outlay	1,258	1,258	0
Other	<u>106,787</u>	<u>106,787</u>	<u>0</u>
Total Sports Oriented Activities	141,583	141,583	0
Academic and Subject Oriented Activities:			
Other	<u>50,057</u>	<u>7,978</u>	<u>42,079</u>
<i>Total Expenditures</i>	<u>191,640</u>	<u>149,561</u>	<u>42,079</u>
<i>Net Change in Fund Balance</i>	0	(2,860)	(2,860)
<i>Fund Balance at Beginning of Year</i>	17,819	17,819	0
<i>Prior Year Encumbrances Appropriated</i>	<u>2,131</u>	<u>2,131</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$19,950</u></u>	<u><u>\$17,090</u></u>	<u><u>(\$2,860)</u></u>

LONDON CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Auxiliary Services Non Public Special Revenue Fund
For the Fiscal Year Ended June 30, 2009*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>			
Intergovernmental	<u>\$280,000</u>	<u>\$127,212</u>	<u>(\$152,788)</u>
<u>Expenditures:</u>			
Current:			
Operation of Non-Instructional Services:			
Community Recreation Services:			
Purchased Services	183,004	68,251	114,753
Materials and Supplies	53,701	53,701	0
Capital Outlay	<u>43,857</u>	<u>43,857</u>	<u>0</u>
<i>Total Expenditures</i>	<u>280,562</u>	<u>165,809</u>	<u>114,753</u>
<i>Net Change in Fund Balance</i>	(562)	(38,597)	(38,035)
<i>Fund Balance at Beginning of Year</i>	38,737	38,737	0
<i>Prior Year Encumbrances Appropriated</i>	<u>3,015</u>	<u>3,015</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$41,190</u></u>	<u><u>\$3,155</u></u>	<u><u>(\$38,035)</u></u>

LONDON CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
London Professional Development Special Revenue Fund
For the Fiscal Year Ended June 30, 2009*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>			
Extracurricular Activities	\$0	\$346	\$346
<u>Expenditures:</u>			
Current:			
Support Services:			
Central:			
Materials and Supplies	<u>500</u>	<u>160</u>	<u>340</u>
<i>Net Change in Fund Balance</i>	(500)	186	686
<i>Fund Balance at Beginning of Year</i>	<u>3,208</u>	<u>3,208</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$2,708</u></u>	<u><u>\$3,394</u></u>	<u><u>\$686</u></u>

LONDON CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Education Management Information Systems Special Revenue Fund
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>			
Intergovernmental	<u>\$10,000</u>	<u>\$6,165</u>	<u>(\$3,835)</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Central:			
Salaries	1,769	1,769	0
Purchased Services	1,479	1,479	0
Materials and Supplies	151	151	0
Capital Outlay	<u>2,766</u>	<u>2,766</u>	<u>0</u>
<i>Total Expenditures</i>	<u>6,165</u>	<u>6,165</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	3,835	0	(3,835)
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$3,835</u></u>	<u><u>\$0</u></u>	<u><u>(\$3,835)</u></u>

LONDON CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Entry Year Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Variance Positive (Negative)
	Final	Actual	
<u>Revenues:</u>			
Intergovernmental	\$0	\$6,300	\$6,300
<u>Expenditures:</u>			
Current:			
Support Services:			
Instructional Staff:			
Salaries	6,300	6,300	0
<i>Net Change in Fund Balance</i>	(6,300)	0	6,300
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	(\$6,300)	\$0	\$6,300

LONDON CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Data Communications Special Revenue Fund
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>			
Intergovernmental	\$12,000	\$12,000	\$0
<u>Expenditures:</u>			
Current:			
Support Services:			
Central			
Purchased Services	<u>12,000</u>	<u>12,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

LONDON CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
SchoolNet Professional Development Special Revenue Fund
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>			
Intergovernmental	\$2,250	\$2,970	\$720
<u>Expenditures:</u>			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	1,485	1,485	0
Central:			
Purchased Services	2,925	2,925	0
<i>Total Expenditures</i>	<u>4,410</u>	<u>4,410</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(2,160)	(1,440)	720
<i>Fund Balance at Beginning of Year</i>	<u>1,440</u>	<u>1,440</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>(\$720)</u></u>	<u><u>\$0</u></u>	<u><u>\$720</u></u>

LONDON CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Poverty Based Assistance Special Revenue Fund
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Variance Positive (Negative)
	Final	Actual	
<u>Revenues:</u>			
Intergovernmental	\$160,000	\$149,703	(\$10,297)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries	160,000	149,703	10,297
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0

LONDON CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Miscellaneous State Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2009*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>			
Intergovernmental	<u>\$10,000</u>	<u>\$5,723</u>	<u>(\$4,277)</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Pupils:			
Purchased Services	3,789	2,401	1,388
Materials and Supplies	<u>1,933</u>	<u>1,933</u>	<u>0</u>
<i>Total Expenditures</i>	<u>5,722</u>	<u>4,334</u>	<u>1,388</u>
Excess of Revenues Over (Under) Expenditures	4,278	1,389	(2,889)
<u>Other Financing Uses:</u>			
Transfers Out	<u>(4,803)</u>	<u>(4,803)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(525)	(3,414)	(2,889)
<i>Fund Balance at Beginning of Year</i>	<u>22,372</u>	<u>22,372</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$21,847</u></u>	<u><u>\$18,958</u></u>	<u><u>(\$2,889)</u></u>

LONDON CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Adult Basic Literacy Education Special Revenue Fund
For the Fiscal Year Ended June 30, 2009*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>			
Intergovernmental	<u>\$76,335</u>	<u>\$55,571</u>	<u>(\$20,764)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Adult/Continuing Education:			
Salaries	37,987	31,747	6,240
Fringe Benefits	7,989	7,989	0
Materials and Supplies	<u>52</u>	<u>52</u>	<u>0</u>
Total Instruction	<u>46,028</u>	<u>39,788</u>	<u>6,240</u>
Support Services:			
Instructional Staff:			
Salaries	22,979	18,819	4,160
Fringe Benefits	4,914	4,914	0
Purchased Services	1,674	1,674	0
Materials and Supplies	640	640	0
Other	<u>100</u>	<u>100</u>	<u>0</u>
Total Support Services	<u>30,307</u>	<u>26,147</u>	<u>4,160</u>
<i>Total Expenditures</i>	<u>76,335</u>	<u>65,935</u>	<u>10,400</u>
<i>Net Change in Fund Balance</i>	0	(10,364)	(10,364)
<i>Fund Balance (Deficit) at Beginning of Year</i>	(5,678)	(5,678)	0
<i>Prior Year Encumbrances Appropriated</i>	<u>724</u>	<u>724</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>(\$4,954)</u>	<u>(\$15,318)</u>	<u>(\$10,364)</u>

LONDON CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Title VI-B Special Revenue Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Variance Positive (Negative)
	Final	Actual	
<u>Revenues:</u>			
Intergovernmental	\$653,316	\$417,177	(\$236,139)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Salaries	198,927	122,381	76,546
Fringe Benefits	17,213	17,213	0
Purchased Services	700	700	0
Materials and Supplies	79,372	79,372	0
Capital Outlay	67,708	67,708	0
Total Instruction	363,920	287,374	76,546
Support Services:			
Pupils:			
Salaries	25,515	7,850	17,665
Fringe Benefits	1,213	1,213	0
Purchased Services	46,767	46,767	0
Materials and Supplies	10,555	10,555	0
Capital Outlay	1,199	1,199	0
Total Pupils	85,249	67,584	17,665
Instructional Staff:			
Salaries	38,457	20,792	17,665
Fringe Benefits	3,179	3,179	0
Purchased Services	42,416	42,416	0
Total Instructional Staff	84,052	66,387	17,665
Pupil Transportation:			
Purchased Services	29,872	23,984	5,888
Total Support Services	199,173	157,955	41,218
Total Expenditures	563,093	445,329	117,764
Net Change in Fund Balance	90,223	(28,152)	(118,375)
Fund Balance (Deficit) at Beginning of Year	(58,763)	(58,763)	0
Prior Year Encumbrances Appropriated	18,521	18,521	0
Fund Balance (Deficit) at End of Year	\$49,981	(\$68,394)	(\$118,375)

LONDON CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Bilingual Education Program Special Revenue Fund
For the Fiscal Year Ended June 30, 2009*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>			
Intergovernmental	<u>\$3,735</u>	<u>\$3,735</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Materials and Supplies	3,064	792	2,272
Support Services:			
Instructional Staff:			
Purchased Services	<u>671</u>	<u>172</u>	<u>499</u>
<i>Total Expenditures</i>	<u>3,735</u>	<u>964</u>	<u>2,771</u>
<i>Net Change in Fund Balance</i>	0	2,771	2,771
<i>Fund Balance (Deficit) at Beginning of Year</i>	(5,757)	(5,757)	0
<i>Prior Year Encumbrances Appropriated</i>	<u>2,986</u>	<u>2,986</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u><u>(\$2,771)</u></u>	<u><u>\$0</u></u>	<u><u>\$2,771</u></u>

LONDON CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Title I Special Revenue Fund
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>			
Intergovernmental	\$899,590	\$445,223	(\$454,367)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries	100,639	71,294	29,345
Purchased Services	13,249	13,249	0
Total Regular	113,888	84,543	29,345
Special:			
Salaries	450,796	305,904	144,892
Purchased Services	49,609	49,609	0
Materials and Supplies	41,934	41,934	0
Capital Outlay	16,445	16,445	0
Total Special	558,784	413,892	144,892
Total Instruction	672,672	498,435	174,237
Support Services:			
Instructional Staff:			
Purchased Services	28,127	18,957	9,170
Capital Outlay	4,723	4,723	0
Total Instructional Staff	32,850	23,680	9,170
Administration:			
Salaries	4,000	4,000	0
Total Support Services	36,850	27,680	9,170
<i>Total Expenditures</i>	709,522	526,115	183,407
<i>Net Change in Fund Balance</i>	190,068	(80,892)	(270,960)
<i>Fund Balance (Deficit) at Beginning of Year</i>	(94,834)	(94,834)	0
<i>Prior Year Encumbrances Appropriated</i>	8,322	8,322	0
<i>Fund Balance (Deficit) at End of Year</i>	\$103,556	(\$167,404)	(\$270,960)

LONDON CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Title II Special Revenue Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Variance Positive (Negative)
	Final	Actual	
<u>Revenues:</u>			
Intergovernmental	\$10,647	\$2,377	(\$8,270)
<u>Expenditures:</u>			
Current:			
Support Services:			
Central:			
Purchased Services	7,699	10,562	(2,863)
<i>Net Change in Fund Balance</i>	2,948	(8,185)	(11,133)
<i>Fund Balance at Beginning of Year</i>	2,578	2,578	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$5,526</u>	<u>(\$5,607)</u>	<u>(\$11,133)</u>

LONDON CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Safe and Drug Free Schools Special Revenue Fund
For the Fiscal Year Ended June 30, 2009*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>			
Intergovernmental	<u>\$21,284</u>	<u>\$14,408</u>	<u>(\$6,876)</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Pupils:			
Purchased Services	10,121	9,091	1,030
Instructional Staff:			
Materials and Supplies	<u>9,412</u>	<u>8,461</u>	<u>951</u>
<i>Total Expenditures</i>	<u>19,533</u>	<u>17,552</u>	<u>1,981</u>
<i>Net Change in Fund Balance</i>	1,751	(3,144)	(4,895)
<i>Fund Balance (Deficit) at Beginning of Year</i>	(9,734)	(9,734)	0
<i>Prior Year Encumbrances Appropriated</i>	<u>7,078</u>	<u>7,078</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>(\$905)</u>	<u>(\$5,800)</u>	<u>(\$4,895)</u>

LONDON CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
IDEA Preschool Special Revenue Fund
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>			
Intergovernmental	<u>\$24,898</u>	<u>\$13,751</u>	<u>(\$11,147)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Materials and Supplies	<u>3,497</u>	<u>3,304</u>	<u>193</u>
Support Services:			
Instructional Staff:			
Salaries	19,088	17,904	1,184
Fringe Benefits	2,173	2,173	0
Purchased Services	<u>140</u>	<u>140</u>	<u>0</u>
Total Support Services	<u>21,401</u>	<u>20,217</u>	<u>1,184</u>
<i>Total Expenditures</i>	<u>24,898</u>	<u>23,521</u>	<u>1,377</u>
Excess of Revenues Under Expenditures	0	(9,770)	(9,770)
<u>Other Financing Sources:</u>			
Transfers In	<u>11,146</u>	<u>11,146</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	11,146	1,376	(9,770)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>(6,446)</u>	<u>(6,446)</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u><u>\$4,700</u></u>	<u><u>(\$5,070)</u></u>	<u><u>(\$9,770)</u></u>

LONDON CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Title II-A Special Revenue Fund
For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>			
Intergovernmental	<u>\$186,736</u>	<u>\$120,207</u>	<u>(\$66,529)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Salaries	<u>127,528</u>	<u>94,598</u>	<u>32,930</u>
Support Services:			
Instructional Staff:			
Salaries	23,959	10,509	13,450
Purchased Services	21,796	21,796	0
Materials and Supplies	<u>6,142</u>	<u>6,142</u>	<u>0</u>
Total Support Services	<u>51,897</u>	<u>38,447</u>	<u>13,450</u>
<i>Total Expenditures</i>	<u>179,425</u>	<u>133,045</u>	<u>46,380</u>
Excess of Revenues Over (Under) Expenditures	7,311	(12,838)	(20,149)
<u>Other Financing Sources:</u>			
Transfers In	<u>1,109</u>	<u>1,109</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	8,420	(11,729)	(20,149)
<i>Fund Balance (Deficit) at Beginning of Year</i>	(25,724)	(25,724)	0
<i>Prior Year Encumbrances Appropriated</i>	<u>5,650</u>	<u>5,650</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u><u>(\$11,654)</u></u>	<u><u>(\$31,803)</u></u>	<u><u>(\$20,149)</u></u>

LONDON CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Miscellaneous Federal Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2009*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>			
Intergovernmental	<u>\$15,100</u>	<u>\$10,937</u>	<u>(\$4,163)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Purchased Services	4,103	2,479	1,624
Materials and Supplies	<u>66</u>	<u>66</u>	<u>0</u>
Total Regular	4,169	2,545	1,624
Support Services:			
Instructional Staff:			
Purchased Services	<u>1,561</u>	<u>961</u>	<u>600</u>
<i>Total Expenditures</i>	<u>5,730</u>	<u>3,506</u>	<u>2,224</u>
Excess of Revenues Over (Under) Expenditures	9,370	7,431	(1,939)
<u>Other Financing Uses:</u>			
Transfers Out	<u>(8,294)</u>	<u>(8,294)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1,076	(863)	(1,939)
<i>Fund Balance at Beginning of Year</i>	<u>67</u>	<u>67</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u><u>\$1,143</u></u>	<u><u>(\$796)</u></u>	<u><u>(\$1,939)</u></u>

LONDON CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Permanent Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2009*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>			
Interest	\$114,599	\$11,836	(\$102,763)
<u>Expenditures:</u>			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Salaries and Wages	20,462	20,462	0
Fringe Benefits	8,414	8,414	0
<i>Total Expenditures</i>	<u>28,876</u>	<u>28,876</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>85,723</u>	<u>(17,040)</u>	<u>(102,763)</u>
<u>Other Financing Sources (Uses):</u>			
Transfers In	90,927	90,927	0
Transfers Out	(218,931)	(218,931)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(128,004)</u>	<u>(128,004)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(42,281)	(145,044)	(102,763)
<i>Fund Balance at Beginning of Year</i>	39,294	39,294	0
<i>Prior Year Encumbrances Appropriated</i>	<u>259</u>	<u>259</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u><u>(\$2,728)</u></u>	<u><u>(\$105,491)</u></u>	<u><u>(\$102,763)</u></u>

LONDON CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Building Capital Projects Fund
For the Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Variance Positive (Negative)
	Final	Actual	
<u>Revenues:</u>	\$0	\$0	\$0
<u>Expenditures:</u>			
Capital Outlay:			
Site Acquisition Services:			
Salaries and Wages	500	0	500
Excess of Revenues Over (Under) Expenditures	(500)	0	500
<u>Other Financing Sources:</u>			
Transfer In	90,427	90,927	500
<i>Net Change in Fund Balance</i>	89,927	90,927	1,000
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$89,927	\$90,927	\$1,000

STATISTICAL SECTION



STATISTICAL TABLES

This part of London City School District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

<u>CONTENTS</u>	<u>PAGES</u>
Financial Trends	112-125
These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	
Revenue Capacity	126-132
These schedules contain information to help the reader assess the School District's most significant local revenue sources.	
Debt Capacity	134-139
These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	
Demographic and Economic Information	140-143
These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.	
Operating information	144-155
These schedules contain service and capital assets data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	

Unless otherwise noted, the information in these schedules is derived from the financial statements for the relevant year. The School District implemented GASB Statement No. 34 during fiscal year 2003: Schedules presenting government-wide information include information beginning in that year.

LONDON CITY SCHOOL DISTRICT

Net Assets by Component

Governmental Activities

Last Seven Fiscal Years

(accrual basis of accounting)

<u>Fiscal Year</u>	<u>2003</u>	<u>2004</u>
Invested in Capital Assets, Net of Related Debt	\$8,388,288	\$15,131,555
Restricted	23,636,450	4,396,416
Unrestricted (Deficit)	<u>(21,535,096)</u>	<u>(437,953)</u>
<i>Total Net Assets</i>	<u>\$10,489,642</u>	<u>\$19,090,018</u>

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$16,085,925	\$15,625,316	\$15,718,638	\$15,403,898	\$15,553,827
2,144,933	2,271,403	2,211,789	2,154,388	25,012,718
<u>110,694</u>	<u>97,725</u>	<u>374,272</u>	<u>1,650,218</u>	<u>207,459</u>
<u><u>\$18,341,552</u></u>	<u><u>\$17,994,444</u></u>	<u><u>\$18,304,699</u></u>	<u><u>\$19,208,504</u></u>	<u><u>\$40,774,004</u></u>

LONDON CITY SCHOOL DISTRICT

*Changes in Net Assets
Governmental Activities
Last Seven Fiscal Years
(accrual basis of accounting)*

Fiscal Year	2003	2004
Expenses:		
Current:		
Instruction:		
Regular	\$7,028,825	\$2,606,328
Special	1,902,311	1,036,686
Vocational	286,715	150,732
Adult/Continuing	79,924	0
Other	0	34,453
Support Services:		
Pupils	394,049	216,417
Instructional Staff	745,364	387,482
Board of Education	81,986	44,523
Administration	1,563,826	796,141
Fiscal	338,914	202,533
Operation and Maintenance of Plant	1,318,203	774,098
Pupil Transportation	638,700	376,168
Central	176,067	358,753
Operation of Non-Instructional Services:		
Food Service Operations	507,088	351,529
Other	38,419	0
Extracurricular Activities	853,972	410,084
Interest and Fiscal Charges	1,439,737	1,436,652
<i>Total Expenses</i>	17,394,100	9,182,579
 Program Revenues:		
Charges for Services and Sales:		
Instruction:		
Regular	292,218	68,346
Special	0	252,209
Support Services:		
Administration	0	0
Operation and Maintenance of Plant	0	1,887
Central	0	0
Operation of Non-Instructional Services:		
Food Service Operations	308,139	307,252
Extracurricular Activities	164,482	158,769
Operating Grants, Contributions and Interest	1,166,727	1,825,734
Capital Grants and Contributions	0	11,537
<i>Total Program Revenues</i>	1,931,566	2,625,734
 <i>Net Expense</i>	(\$15,462,534)	(\$6,556,845)

2005	2006	2007	2008	2009
\$7,597,035	\$10,688,689	\$10,582,275	\$9,124,413	\$10,677,696
2,345,962	2,439,645	2,365,992	3,461,580	3,737,457
311,111	287,435	257,219	322,651	366,810
0	0	0	45,425	37,718
5,870	78,724	30,992	0	0
424,086	430,233	467,042	711,515	784,521
740,007	915,727	956,443	1,417,994	1,418,333
130,110	115,654	67,899	110,433	99,197
1,608,960	1,802,648	1,416,671	1,767,721	1,994,994
354,272	448,744	458,381	619,797	629,851
1,725,525	2,215,894	2,080,527	2,236,400	2,512,425
738,880	829,517	716,026	934,026	983,314
336,195	211,797	179,202	412,842	176,898
769,808	787,325	853,448	809,185	829,374
0	0	0	132,350	113,745
605,391	804,270	743,440	837,125	813,285
1,414,284	682,064	1,497,002	1,259,400	1,324,861
<u>19,107,496</u>	<u>22,738,366</u>	<u>22,672,559</u>	<u>24,202,857</u>	<u>26,500,479</u>
87,936	770,197	1,038,830	2,661,887	2,403,502
293,566	13,016	4,623	8,671	16,490
0	61	0	0	0
56,147	50,000	2,960	0	0
0	0	283	940	346
306,955	346,271	353,416	331,918	304,947
205,423	181,387	174,648	197,951	171,837
1,095,980	2,412,745	2,304,710	2,787,915	2,383,537
81,945	79,972	167,980	10,234	16,990
<u>2,127,952</u>	<u>3,853,649</u>	<u>4,047,450</u>	<u>5,999,516</u>	<u>5,297,649</u>
<u>(\$16,979,544)</u>	<u>(\$18,884,717)</u>	<u>(\$18,625,109)</u>	<u>(\$18,203,341)</u>	<u>(\$21,202,830)</u>

(continued)

LONDON CITY SCHOOL DISTRICT

*Changes in Net Assets
Governmental Activities
Last Seven Fiscal Years
(accrual basis of accounting)
(continued)*

Fiscal Year	2003	2004
General Revenues:		
Property Taxes Levied for:		
General Purposes	\$5,304,995	\$5,637,948
Debt Service	1,764,652	1,835,106
Income Taxes	0	0
Revenue in Lieu of Taxes	0	17,675
Grants and Entitlements not Restricted to Specific Programs	7,100,635	7,374,650
Contributions and Donations	0	163
Interest	584,811	159,030
Miscellaneous	338,892	132,649
<i>Total General Revenues</i>	15,093,985	15,157,221
<i>Change in Net Assets</i>	(\$368,549)	\$8,600,376

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$5,785,450	\$6,860,211	\$5,721,177	\$5,229,375	\$5,430,875
1,906,748	2,363,308	1,939,375	1,867,559	2,052,043
0	452,315	2,433,533	3,033,446	2,930,638
137,634	468,895	177,753	153,597	301,464
8,051,465	7,566,868	8,388,079	8,520,340	31,926,050
634	30,858	0	21,423	31,697
76,731	82,703	32,781	226,579	12,509
272,416	712,451	242,666	54,827	83,054
<u>16,231,078</u>	<u>18,537,609</u>	<u>18,935,364</u>	<u>19,107,146</u>	<u>42,768,330</u>
<u>(\$748,466)</u>	<u>(\$347,108)</u>	<u>\$310,255</u>	<u>\$903,805</u>	<u>\$21,565,500</u>

LONDON CITY SCHOOL DISTRICT
Program Revenues by Function/Program
Governmental Activities
Last Seven Fiscal Years
(accrual basis of accounting)

Fiscal Year	2003	2004
Function / Program:		
Instruction:		
Regular	\$344,590	\$177,040
Special	618,789	1,217,414
Vocational	7,008	7,451
Adult/Continuing	79,662	0
Other	0	69,464
Support Services:		
Pupils	10,533	7,782
Instructional Staff	193,573	224,387
Administration	0	75,060
Operation and Maintenance of Plant	0	1,887
Pupil Transportation	0	11,537
Central	0	37,104
Operation of Non-Instructional Services:		
Food Service Operations	512,929	637,839
Other	0	0
Extracurricular Activities	164,482	158,769
<i>Total Program Revenues</i>	<u><u>\$1,931,566</u></u>	<u><u>\$2,625,734</u></u>

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$173,021	\$1,322,906	\$1,438,350	\$2,798,473	\$2,493,904
758,297	890,390	1,314,228	1,161,730	1,441,915
5,101	25,066	32,025	33,191	28,408
0	0	0	47,723	39,718
90,524	232,565	89,957	0	0
6,368	16,954	7,294	489,046	69,198
150,473	218,875	179,606	314,187	158,404
31,641	5,313	1,951	0	5,080
56,147	50,000	2,960	0	0
65,355	79,972	24,498	34,127	47,784
25,414	23,481	19,592	22,124	22,216
560,188	806,740	762,341	684,960	659,574
0	0	0	136,372	127,212
205,423	181,387	174,648	277,583	204,236
<u>\$2,127,952</u>	<u>\$3,853,649</u>	<u>\$4,047,450</u>	<u>\$5,999,516</u>	<u>\$5,297,649</u>

LONDON CITY SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
General Fund:				
Reserved	\$2,298,345	\$2,168,220	\$2,049,433	\$180,310
Unreserved (Deficit)	<u>(373,707)</u>	<u>(173,535)</u>	<u>298,317</u>	<u>1,256,443</u>
<i>Total General Fund (Deficit)</i>	<u>1,924,638</u>	<u>1,994,685</u>	<u>2,347,750</u>	<u>1,436,753</u>
All Other Governmental Funds:				
Reserved	8,872	67,200	4,909,751	16,168,671
Unreserved, Undesignated (Deficit), Reported in:				
Special Revenue Funds	221,381	182,405	271,541	66,901
Debt Service Fund	1,950	63,846	322,561	1,343,194
Capital Projects Funds	<u>47,817</u>	<u>30,081,744</u>	<u>24,834,695</u>	<u>6,057,684</u>
<i>Total All Other Governmental Funds</i>	<u>280,020</u>	<u>30,395,195</u>	<u>30,338,548</u>	<u>23,636,450</u>
<i>Total Governmental Funds</i>	<u><u>\$2,204,658</u></u>	<u><u>\$32,389,880</u></u>	<u><u>\$32,686,298</u></u>	<u><u>\$25,073,203</u></u>

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$1,797,555	\$1,830,238	\$2,090,280	\$331,116	\$304,927	\$150,795
<u>(1,343,729)</u>	<u>(1,937,321)</u>	<u>(2,841,918)</u>	<u>746,047</u>	<u>1,937,277</u>	<u>1,396,159</u>
<u>453,826</u>	<u>(107,083)</u>	<u>(751,638)</u>	<u>1,077,163</u>	<u>2,242,204</u>	<u>1,546,954</u>
1,965,605	719,774	777,452	49,300	19,265	211,032
110,791	(63,619)	147,351	(91,084)	(303,043)	(183,630)
689,105	602,449	1,029,858	1,965,130	1,837,003	1,876,747
<u>1,471,953</u>	<u>735,412</u>	<u>202,352</u>	<u>67,739</u>	<u>39,291</u>	<u>701,791</u>
<u>4,237,454</u>	<u>1,994,016</u>	<u>2,157,013</u>	<u>1,991,085</u>	<u>1,592,516</u>	<u>2,605,940</u>
<u>\$4,691,280</u>	<u>\$1,886,933</u>	<u>\$1,405,375</u>	<u>\$3,068,248</u>	<u>\$3,834,720</u>	<u>\$4,152,894</u>

LONDON CITY SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2000	2001	2002	2003
<u>Revenues:</u>				
Property Taxes	\$7,026,855	\$5,386,116	\$7,157,556	\$7,099,182
Revenue in Lieu of Taxes	0	0	0	0
Income Taxes	0	0	0	0
Intergovernmental	6,858,676	7,339,475	8,265,225	8,267,362
Interest	123,292	200,876	1,065,424	584,811
Tuition and Fees	44,356	91,062	144,628	605,772
Extracurricular Activities	195,759	184,743	167,821	159,067
Customer Sales and Services	0	0	303,755	0
Contributions and Donations	0	0	0	0
Rent	0	0	0	0
Miscellaneous	129,821	125,530	334,062	338,892
Total Revenues	14,378,759	13,327,802	17,438,471	17,055,086
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	5,727,148	6,024,266	5,975,581	6,825,149
Special	1,420,445	1,514,891	1,675,932	1,897,702
Vocational	197,961	265,054	272,712	286,269
Adult Continuing	38,830	41,199	51,942	79,662
Other	0	0	0	0
Support:				
Pupils	470,417	505,879	523,530	399,682
Instructional Staff	495,969	607,293	699,304	728,365
Board of Education	38,262	41,601	62,213	81,986
Administration	1,123,448	1,215,133	1,398,133	1,549,501
Fiscal	312,645	311,953	444,721	336,828
Business	0	3,052	3,961	0
Operation and Maintenance of Plant	1,056,542	1,263,903	1,343,533	1,333,132
Pupil Transportation	529,441	566,509	594,796	721,130
Central	72,996	117,380	135,616	126,195
Operation of Non-Instructional Services	54,367	78,585	631,663	629,353
Extracurricular Activities	514,607	522,300	615,431	636,263
Capital Outlay	85,027	300	2,917,751	7,346,191
Debt Service:				
Principal Retirement	378,178	115,000	31,522,531	250,000
Interest and Fiscal Charges	0	79,249	0	1,440,773
Total Expenditures	12,516,283	13,273,547	48,869,350	24,668,181
Excess of Revenues Over (Under) Expenditures	\$1,862,476	\$54,255	(\$31,430,879)	(\$7,613,095)

2004	2005	2006	2007	2008	2009
\$7,556,937	\$7,664,629	\$9,092,869	\$7,803,851	\$7,056,283	\$7,679,344
0	0	468,895	177,753	286,531	434,398
0	0	452,315	2,433,533	2,783,617	2,984,164
9,028,844	9,291,175	10,067,314	10,651,939	10,967,589	12,494,709
159,022	76,731	82,703	186,881	226,579	12,509
308,164	380,766	359,820	466,456	446,935	490,606
171,394	206,159	181,837	174,931	198,891	172,183
307,019	306,955	396,271	1,353,416	2,516,455	2,270,282
0	0	0	0	101,055	64,096
0	0	0	0	908	2,075
152,754	466,799	711,197	245,626	54,827	83,054
<u>17,684,134</u>	<u>18,393,214</u>	<u>21,813,221</u>	<u>23,494,386</u>	<u>24,639,670</u>	<u>26,687,420</u>
7,087,667	7,372,518	9,100,131	9,023,508	8,490,058	9,874,736
2,086,546	2,318,461	2,438,858	2,378,591	3,265,215	3,642,048
304,530	302,698	285,865	261,620	291,068	340,326
0	0	0	0	45,425	37,718
69,994	0	78,724	30,405	0	0
437,411	434,089	424,613	466,140	678,947	739,924
753,987	708,591	825,857	865,298	1,182,951	1,175,994
89,834	130,110	115,654	67,899	110,433	99,197
1,575,375	1,384,925	1,817,722	1,433,778	1,666,927	1,810,884
406,229	339,852	448,129	461,350	594,898	599,230
0	0	0	0	0	0
1,559,912	1,754,057	2,176,985	2,088,572	2,200,115	2,410,278
716,657	697,580	772,461	748,017	977,427	988,639
717,922	319,848	211,428	180,488	397,700	163,761
705,005	757,807	770,389	834,461	861,996	852,103
597,666	579,912	678,466	644,424	701,767	677,786
18,920,233	2,005,056	111,390	219,386	125,964	706,061
605,000	675,000	900,136	1,193,257	1,342,481	1,534,183
<u>1,432,089</u>	<u>1,417,057</u>	<u>1,139,225</u>	<u>1,153,705</u>	<u>1,065,790</u>	<u>1,001,355</u>
<u>38,066,057</u>	<u>21,197,561</u>	<u>22,296,033</u>	<u>22,050,899</u>	<u>23,999,162</u>	<u>26,654,223</u>
<u>(\$20,381,923)</u>	<u>(\$2,804,347)</u>	<u>(\$482,812)</u>	<u>\$1,443,487</u>	<u>\$640,508</u>	<u>\$33,197</u>

(continued)

LONDON CITY SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(continued)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<i>Other Financing Sources (Uses):</i>				
Refunding General Obligation Bonds Issued	\$0	\$0	\$0	\$0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Premium on Debt Issuance	0	119,400	850,301	0
Proceeds from Sale of Capital Assets	3,701	11,567	966,996	0
General Obligation Bonds Issued	0	0	29,910,000	0
Proceeds from Sale of Notes	0	30,000,000	0	0
Inception of Capital Lease	0	0	0	0
Transfers In	171,680	201,464	397,290	54,604
Transfers Out	<u>(171,680)</u>	<u>(201,464)</u>	<u>(397,290)</u>	<u>(54,604)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>3,701</u>	<u>30,130,967</u>	<u>31,727,297</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$1,866,177</u>	<u>\$30,185,222</u>	<u>\$296,418</u>	<u>(\$7,613,095)</u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	3.1%	1.5%	69.2%	10.0%

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$0	\$0	\$15,944,864	\$0	\$0	\$0
0	0	(17,390,068)	0	0	0
0	0	1,445,204	0	0	0
0	0	1,254	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	219,386	125,964	284,977
0	0	231,430	0	0	304,696
<u>0</u>	<u>0</u>	<u>(231,430)</u>	<u>0</u>	<u>0</u>	<u>(304,696)</u>
<u>0</u>	<u>0</u>	<u>1,254</u>	<u>219,386</u>	<u>125,964</u>	<u>284,977</u>
<u>(\$20,381,923)</u>	<u>(\$2,804,347)</u>	<u>(\$481,558)</u>	<u>\$1,662,873</u>	<u>\$766,472</u>	<u>\$318,174</u>
10.9%	11.3%	9.2%	10.8%	10.2%	9.8%

LONDON CITY SCHOOL DISTRICT
Assessed Valuation and Estimated Actual Value of Taxable Property
Last Ten Collection (Calendar) Years

Collection Year	Real Property				Tangible Personal Property	
	Assessed Value		Total Real Property Assessed Value	Estimated Actual Value	Public Utility	
	Residential/Agricultural	Commercial/Industrial/PU			Assessed Value	Estimated Actual Value
2000	\$140,046,940	\$32,704,290	\$172,751,230	\$493,574,943	\$14,498,190	\$57,992,760
2001	143,987,670	33,579,580	177,567,250	507,335,000	12,483,450	49,933,800
2002	147,506,460	38,432,400	185,938,860	531,253,886	11,742,850	46,971,400
2003	174,201,370	42,121,480	216,322,850	618,065,286	12,791,290	51,165,160
2004	179,265,400	43,104,760	222,370,160	635,343,314	11,095,370	44,381,480
2005	183,178,160	45,521,890	228,700,050	653,428,714	10,949,810	43,799,240
2006	206,097,720	48,748,550	254,846,270	728,132,200	9,661,140	38,644,560
2007	210,926,350	50,170,340	261,096,690	745,990,543	9,662,390	38,649,560
2008	215,537,670	51,528,780	267,066,450	763,047,000	8,404,680	33,618,720
2009	230,614,110	58,545,170	289,159,280	826,169,371	8,537,920	34,151,680

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out. The assessment percent was 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009.

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

Source: Ohio Department of Taxation

- (1) Ratio represents assessed value/total estimated actual value.

Tangible Personal Property General Business		Total			Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio (1)	
\$24,113,480	\$96,453,920	\$211,362,900	\$648,021,623	32.62	27.09
26,840,600	107,362,400	216,891,300	664,631,200	32.63	27.02
28,561,050	114,244,200	226,242,760	692,469,486	32.67	36.02
23,281,256	93,125,024	252,395,396	762,355,470	33.11	31.92
25,902,048	103,608,192	259,367,578	783,332,986	33.11	31.87
31,947,208	127,788,832	271,597,068	825,016,786	32.92	32.02
26,282,444	140,173,035	290,789,854	906,949,795	32.06	30.66
18,769,578	150,156,624	289,528,658	934,796,727	30.97	30.23
12,749,820	203,997,120	288,220,950	1,000,662,840	28.80	29.81
13,072,320	209,157,120	310,769,520	1,069,478,171	29.06	29.57

London City School District
Principal Property Taxpayers
Real Property Tax
2009 and 2005

Tax Payer	2009		Percentage of Real Property Assessed Valuation
	Assessed Value	Rank	
Stanley Electric US Company Inc.	\$6,576,390	1	2.29%
Ohio Edison Company	3,994,060	2	1.38%
American Transmission Systems Inc.	3,074,150	3	1.06%
Nissen Chemitec America	1,756,700	4	0.61%
Madison Health Partners LLC	1,700,150	5	0.58%
London Apartments 2204 LLC	1,576,180	6	0.55%
The Kroger Company	1,568,700	7	0.54%
Keny Boulevard Apartments LLC	1,452,420	8	0.50%
Jerry M Alcott	1,450,700	9	0.50%
SARBG London LTD	1,387,230	10	0.48%
Ohio Bell Telephone Company	-		-
Continental 47 Fund LTD	-		-
Total	24,536,680		8.49%
All Others	264,622,600		91.51%
Total Assessed Valuation	<u>\$289,159,280</u>		<u>100.00%</u>

Source: Madison County Auditor

(1) Information prior to 2005 was unavailable.

2005 (1)

Assessed Value	Rank	Percentage of Real Property Assessed Valuation
\$3,982,310	1	1.75%
3,184,870	2	1.40%
2,257,760	3	0.99%
1,059,090	9	0.46%
1,171,460	7	0.51%
1,308,280	6	0.57%
1,171,220	8	0.51%
-		-
-		-
1,000,070	10	0.44%
1,769,510	4	0.77%
1,376,290	5	0.60%
18,280,860		8.00%
210,419,190		92.00%
\$228,700,050		100.00%

London City School District
Property Tax Rates (Per \$1,000 of Assessed Valuation)
Direct and Overlapping Governments
Last Ten Collection (Calendar) Years

	2000	2001	2002
UNVOTED MILLAGE:			
Operating	\$4.20	\$4.20	\$4.20
VOTED MILLAGE - BY LEVY:			
1976 Current Expense			
Residential/Agricultural Real	\$9.79	\$9.76	\$9.67
Commercial/Industrial and Public Utility Real	13.36	13.37	12.98
General Business and Public Utility Personal	20.20	20.20	20.20
1996 Current Expense			
Residential/Agricultural Real	9.90	9.86	9.78
Commercial/Industrial and Public Utility Real	11.15	11.16	10.83
General Business and Public Utility Personal	12.90	12.90	12.90
2001 Bond Levy (\$30,000,000)			
Residential/Agricultural Real	0.00	0.00	9.20
Commercial/Industrial and Public Utility Real	0.00	0.00	9.20
General Business and Public Utility Personal	0.00	0.00	9.20
TOTAL VOTED MILLAGE BY TYPE OF PROPERTY			
Residential/Agricultural Real	19.69	19.62	28.65
Commercial/Industrial and Public Utility Real	24.51	24.53	33.01
General Business and Public Utility Personal	33.10	33.10	42.30
TOTAL UNVOTED AND VOTED MILLAGE BY TYPE OF PROPERTY			
Residential/Agricultural Real	23.89	23.82	32.85
Commercial/Industrial and Public Utility Real	28.71	28.73	37.21
General Business and Public Utility Personal	37.30	37.30	46.50
OVERLAPPING RATES BY TAXING DISTRICT			
TOWNSHIPS:			
Residential/Agricultural Real	0.18 - 1.40	0.18 - 1.40	0.18 - 1.40
Commercial/Industrial and Public Utility Real	0.32 - 1.40	0.31 - 1.40	0.32 - 1.40
General Business and Public Utility Personal	0.40 - 1.40	0.40 - 1.40	0.40 - 1.40
CORPORATIONS:			
Residential/Agricultural Real	0.40 - 1.84	0.40 - 1.83	0.40 - 1.81
Commercial/Industrial and Public Utility Real	0.40 - 2.01	0.40 - 2.02	0.40 - 1.97
General Business and Public Utility Personal	0.40 - 2.10	0.40 - 2.10	0.40 - 2.10
TOLLES CAREER AND TECHNICAL CENTER:			
Residential/Agricultural Real	1.60	1.10	1.10
Commercial/Industrial and Public Utility Real	1.60	1.10	1.10
General Business and Public Utility Personal	1.60	1.10	1.10
COUNTY AND OTHER UNITS:			
Residential/Agricultural Real	0.04 - 3.00	0.04 - 3.00	0.04 - 3.00
Commercial/Industrial and Public Utility Real	0.04 - 3.00	0.04 - 3.00	0.04 - 3.00
General Business and Public Utility Personal	0.10 - 3.00	0.10 - 3.00	0.10 - 3.00

Source: Ohio Department of Taxation

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue for that year.

Rates may only be raised by obtaining the approval of the voters at a public election.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Real property is reappraised every six years and property values are updated in the third year following each reappraisal.

2003	2004	2005	2006	2007	2008	2009
<u>\$4.20</u>	<u>\$4.20</u>	<u>\$4.20</u>	<u>\$4.20</u>	<u>\$4.20</u>	<u>\$4.20</u>	<u>\$4.20</u>
\$8.31	\$8.29	\$8.27	\$8.02	\$8.02	\$8.02	\$8.19
11.28	11.25	10.97	10.32	10.27	10.27	9.68
20.20	20.20	20.20	20.20	20.20	20.20	20.20
8.40	8.38	8.36	7.78	7.78	7.78	7.61
9.41	9.39	9.15	8.61	8.57	8.57	8.08
12.90	12.90	12.90	12.90	12.90	12.90	12.90
8.00	8.00	8.00	8.00	8.00	8.00	8.00
8.00	8.00	8.00	8.00	8.00	8.00	8.00
<u>8.00</u>	<u>8.00</u>	<u>8.00</u>	<u>8.00</u>	<u>8.00</u>	<u>8.00</u>	<u>8.00</u>
24.71	24.67	24.63	23.80	23.80	23.80	23.80
28.69	28.64	28.12	26.93	26.84	26.84	25.76
<u>41.10</u>	<u>41.10</u>	<u>41.10</u>	<u>41.10</u>	<u>41.10</u>	<u>41.10</u>	<u>41.10</u>
28.91	28.87	28.83	28.00	28.00	28.00	28.00
32.89	32.84	32.32	31.13	31.04	31.04	29.96
<u>45.30</u>	<u>45.30</u>	<u>45.30</u>	<u>45.30</u>	<u>45.30</u>	<u>45.30</u>	<u>45.30</u>
0.16 - 1.40	0.16 - 1.40	0.16 - 1.40	0.14 - 1.40	0.22 - 1.40	0.32 - 1.40	0.47 - 1.40
0.23 - 1.40	0.23 - 1.40	0.23 - 1.40	0.20 - 1.40	0.21 - 1.40	0.30 - 1.40	0.50 - 1.40
0.40 - 1.40	0.40 - 1.40	0.40 - 1.40	0.40 - 1.40	0.40 - 1.40	0.50 - 1.40	0.50 - 1.40
0.40 - 1.78	0.40 - 1.77	0.40 - 1.76	0.40 - 1.27	0.40 - 1.59	0.40 - 2.10	0.40 - 2.00
0.40 - 1.85	0.40 - 1.84	0.40 - 1.79	0.40 - 1.32	0.40 - 1.69	0.40 - 2.10	0.40 - 1.98
0.40 - 2.10	0.40 - 2.10	0.40 - 2.10	0.40 - 1.40	0.40 - 2.10	0.40 - 2.10	0.40 - 2.10
0.50	0.50	0.50	0.50	1.30	1.30	1.30
0.50	0.50	0.50	0.50	1.30	1.30	1.30
0.50	0.50	0.50	0.50	1.30	1.30	1.30
0.03 - 3.00	0.03 - 3.00	0.03 - 3.00	0.03 - 3.00	0.03 - 3.00	0.03 - 4.75	0.03 - 4.05
0.04 - 3.00	0.04 - 3.00	0.04 - 3.00	0.03 - 3.00	0.03 - 3.00	0.03 - 4.69	0.03 - 4.30
0.10 - 3.00	0.10 - 3.00	0.10 - 3.00	0.10 - 3.00	0.10 - 3.00	0.10 - 4.75	0.10 - 4.75

London City School District
*Property Tax Levies and Collections - Real, Public Utility Personal
and General Business Personal Property
Last Ten Collection (Calendar) Years*

<u>Collection Year (1)</u>	<u>Total Tax Levied (2)</u>	<u>Current Tax Collection (3)</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Tax Collections (4)</u>	<u>Total Tax Collections</u>	<u>Percent Of Total Collections To Total Levy</u>
1999	\$5,839,813	\$4,114,377	70.45%	\$140,271	\$4,254,648	72.86%
2000	5,489,750	4,129,844	75.23%	177,734	4,307,578	78.47%
2001	5,759,489	4,192,351	72.79%	171,743	4,364,094	75.77%
2002	8,069,697	5,730,123	71.01%	213,237	5,943,360	73.65%
2003	8,295,079	5,892,306	71.03%	301,200	6,193,506	74.66%
2004	8,514,903	4,497,805	52.82%	422,897	4,920,702	57.79%
2005	8,442,332	5,815,340	68.88%	251,399	6,066,739	71.86%
2006	9,188,072	6,758,762	73.56%	236,875	6,995,637	76.14%
2007	9,102,220	5,868,505	64.47%	216,626	6,085,131	66.85%
2008	8,879,610	5,194,177	58.50%	226,895	5,421,072	61.05%

Source: Madison County Auditor

- (1) The 2009 information cannot be presented because all collections have not been made by June 30, 2009.
- (2) Taxes levied and collected are presented on a cash basis because that is the manner that information is maintained by the County Auditor.
- (3) State reimbursements of rollback and homestead exemptions are not included.
- (4) Penalties and interest are included since, by Ohio law, they become part of the tax obligation as assessment occurs.

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London City School District
*Ratio of Debt to Estimated Actual Value,
 Personal Income, and Debt Per Capita
 Last Ten Fiscal Years*

Fiscal Year	General Obligation Bonds (1)	Energy Notes Payable (1)	Capital Leases (1)	Bond and Tax Anticipation Notes Payable (1)	Total Outstanding Debt
2000	\$0	\$110,000	\$15,919	\$0	\$125,919
2001	0	325,000	16,964	30,000,000	30,341,964
2002	29,910,000	205,000	0	0	30,115,000
2003	29,710,000	155,000	0	0	29,865,000
2004	29,155,000	105,000	0	0	29,260,000
2005	28,530,000	55,000	0	1,210,000	29,795,000
2006	29,102,344	0	0	1,210,000	30,312,344
2007	28,253,529	0	216,129	995,000	29,464,658
2008	26,288,372	0	269,612	765,000	27,322,984
2009	25,215,048	0	405,406	525,000	26,145,454

Source: (1) School District Financial Records
 (2) Madison County Auditor
 (3) Census data for 2000 census
 (4) Computation of per capita personal income multiplied by population

Estimated Actual Value (2)	Population (3)	Personal Income (4)	Ratio of Debt to Estimated Actual Value	Ratio of Debt to Personal Income	Debt Per Capita
\$648,021,623	8,771	\$161,421,484	0.02%	0.08%	\$14.36
664,631,200	8,771	161,421,484	4.57%	18.80%	3,459.35
692,469,486	8,771	161,421,484	4.35%	18.66%	3,433.47
762,355,470	8,771	161,421,484	3.92%	18.50%	3,404.97
783,332,986	8,771	161,421,484	3.74%	18.13%	3,335.99
825,016,786	8,771	161,421,484	3.61%	18.46%	3,396.99
906,949,795	8,771	161,421,484	3.34%	18.78%	3,455.97
934,796,727	8,771	161,421,484	3.15%	18.25%	3,359.33
1,000,662,840	8,771	161,421,484	2.73%	16.93%	3,115.15
1,069,478,171	8,771	161,421,484	2.44%	16.20%	2,980.90

London City School District
*Ratio of General Obligation Bonded Debt to
 Estimated Actual Value and General Obligation Bonded Debt Per Capita
 Last Eight Fiscal Years*

Fiscal Year	General Obligation Bonded Debt	Estimated Actual Value (1)	Population (2)	Ratio of General Obligation Debt to Estimated Actual Value	General Obligation Debt Per Capita
2002	\$29,910,000	\$692,469,486	8,771	4.32%	\$3,410.10
2003	29,710,000	762,355,470	8,771	3.90%	3,387.30
2004	29,155,000	783,332,986	8,771	3.72%	3,324.02
2005	28,530,000	825,016,786	8,771	3.46%	3,252.76
2006	29,102,344	906,949,795	8,771	3.21%	3,318.02
2007	28,253,529	934,796,727	8,771	3.02%	3,221.24
2008	26,288,372	1,000,662,840	8,771	2.63%	2,997.19
2009	25,215,048	1,069,478,171	8,771	2.36%	2,874.82

Source: (1) Madison County Auditor
 (2) Census data for 2000 census

The School District first issued general obligation debt in fiscal year 2002.

London City School District
Computation of Direct and Overlapping Debt
 June 30, 2009

Jurisdiction	Debt Attributable to Governmental Activities	Percentage Applicable to District (1)	Amount Applicable to District
Direct:			
London City School District:			
General Obligation Bonds	<u>\$25,215,048</u>	100.00%	<u>\$25,215,048</u>
Overlapping:			
Madison County:			
General Obligation Bonds	3,756,594	35.69	1,340,728
Note Obligation	185,224	35.69	66,106
City of London:			
General Obligation Bonds	519,200	99.97	519,044
Loan Obligation	829,268	99.97	829,019
Tolles Career and Technical Center:			
General Obligation Bonds	6,055,000	4.69	283,980
Capital Lease Obligation	<u>65,524</u>	4.69	<u>3,073</u>
Total Overlapping Debt	<u>11,410,810</u>		<u>3,041,951</u>
Total Direct and Overlapping Debt	<u><u>\$37,031,264</u></u>		<u><u>\$28,662,405</u></u>

Source: Ohio Municipal Advisory Council

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the School District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the School District. This process recognizes that, when considering the School District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken in account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt, of each overlapping government.

London City School District
Computation of Legal Debt Margin
Last Ten Fiscal Years

	2000	2001	2002
Total Assessed Valuation	\$211,362,900	\$216,891,300	\$226,242,760
Less Railroad and Telephone Property Valuation	0	0	0
Less General Business Tangible Personal Property Valuation	0	0	0
Total Assessed Valutaion used to Calculate Legal Debt Margin (1)	211,362,900	216,891,300	226,242,760
Overall debt limitation - 9.0% of assessed valuation (2)	19,022,661	19,520,217	20,361,848
Gross indebtedness authorized by the School District	440,000	30,325,000	30,115,000
Less exempt debt:			
Energy Conservation Loan	(440,000)	(325,000)	(205,000)
Bond Anticipation Note	0	(30,000,000)	0
Tax Anticipation Note	0	0	0
Debt within 9.0% limitation	0	0	29,910,000
Less amount available in the debt service fund	(1,950)	(63,846)	(1,056,680)
Net debt within 9.0% limitation	(1,950)	(63,846)	28,853,320
Legal debt margin within 9.0% limitation	<u>\$19,024,611</u>	<u>\$19,584,063</u>	<u>(\$8,491,472)</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.0%	100.3%	-41.7%
<hr/>			
Energy Conservation Debt limitation 0.9% of assessed valuation	\$1,902,266	\$1,952,022	\$2,036,185
Net debt within 0.9% limitation	(440,000)	(325,000)	(205,000)
Energy Conservation Debt Margin	<u>\$1,462,266</u>	<u>\$1,627,022</u>	<u>\$1,831,185</u>
Energy Conservation Debt Margin as a Percentage of the Energy Conservation Debt Limit	76.9%	83.4%	89.9%
<hr/>			
Unvoted debt limitation .10% of assessed valuation (2)	\$211,363	\$216,891	\$226,243
Net debt within 0.9% limitation	0	0	0
Legal debt margin within .10% limitation	<u>\$211,363</u>	<u>\$216,891</u>	<u>\$226,243</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.0%	100.0%	100.0%

Source: Madison County Auditor and School District Records

(1) The definition of tax valuation for the purpose of calculating the debt margin was modified by H.B. 530, effective 3/30/06, to exclude tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations.

(2) Ohio Bond Law sets a limit of 9 percent for voted debt and .10 percent for unvoted debt.

2003	2004	2005	2006	2007	2008	2009
\$252,395,396	\$259,367,578	\$271,597,068	\$290,789,854	\$289,528,658	\$288,220,950	\$310,769,520
0	0	0	(2,858,810)	(2,460,310)	(1,631,940)	(1,263,290)
0	0	0	(26,282,444)	(18,769,578)	(12,749,820)	(13,072,320)
252,395,396	259,367,578	271,597,068	261,648,600	268,298,770	273,839,190	296,433,910
22,715,586	23,343,082	24,443,736	23,548,374	24,146,889	24,645,527	26,679,052
29,865,000	29,260,000	29,795,000	28,894,864	27,489,864	25,989,864	24,364,864
(155,000)	(105,000)	(55,000)	0	0	0	0
0	0	0	0	0	0	0
0	0	(1,210,000)	(1,210,000)	(995,000)	(765,000)	(525,000)
29,710,000	29,155,000	28,530,000	27,684,864	26,494,864	25,224,864	23,839,864
(1,343,194)	(1,269,805)	(1,188,249)	(1,777,658)	(1,965,130)	(1,837,003)	(1,876,747)
28,366,806	27,885,195	27,341,751	25,907,206	24,529,734	23,387,861	21,963,117
(\$5,651,220)	(\$4,542,113)	(\$2,898,015)	(\$2,358,832)	(\$382,845)	\$1,257,666	\$4,715,935
-24.9%	-19.5%	-11.9%	-10.0%	-1.6%	5.1%	17.7%
\$2,271,559	\$2,334,308	\$2,444,374	\$2,354,837	\$2,414,689	\$2,464,553	\$2,667,905
(155,000)	(105,000)	(55,000)	0	0	0	0
\$2,116,559	\$2,229,308	\$2,389,374	\$2,354,837	\$2,414,689	\$2,464,553	\$2,667,905
93.2%	95.5%	97.7%	100.0%	100.0%	100.0%	100.0%
\$252,395	\$259,368	\$271,597	\$290,790	\$289,529	\$288,221	\$296,434
0	0	0	0	0	0	0
\$252,395	\$259,368	\$271,597	\$290,790	\$289,529	\$288,221	\$296,434
100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

London City School District
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population (1)	Total Personal Income (2)	Per Capita Personal Income (1)	Median Household Income (1)	Median Age (1)
2000	8,771	\$161,421,484	\$18,404	\$35,641	35.5
2001	8,771	161,421,484	18,404	35,641	35.5
2002	8,771	161,421,484	18,404	35,641	35.5
2003	8,771	161,421,484	18,404	35,641	35.5
2004	8,771	161,421,484	18,404	35,641	35.5
2005	8,771	161,421,484	18,404	35,641	35.5
2006	8,771	161,421,484	18,404	35,641	35.5
2007	8,771	161,421,484	18,404	35,641	35.5
2008	8,771	161,421,484	18,404	35,641	35.5
2009	8,771	161,421,484	18,404	35,641	35.5

Source: (1) U.S. Census Bureau
(2) Computation of per capita personal income multiplied by population
(3) School District Records
(4) Ohio Department of Job and Family Services
(5) Ohio Department of Taxation

<u>Educational Attainment: Bachelor's Degree or Higher (1)</u>	<u>School Enrollment (3)</u>	<u>Madison County Unemployment Rate (4)</u>	<u>State of Ohio Unemployment Rate (4)</u>	<u>U.S.A. Unemployment Rate (4)</u>	<u>Total Assessed Property Value (5)</u>
827	2,198	3.60%	4.20%	4.10%	\$211,362,900
827	2,129	4.90	4.40	4.70	216,891,300
827	2,098	5.30	5.90	6.00	226,242,760
827	2,082	6.50	6.70	6.50	252,395,396
827	2,250	6.30	6.40	5.80	259,367,578
827	2,067	5.90	6.00	5.20	271,597,068
827	2,090	5.20	5.50	4.80	290,789,854
827	2,161	5.80	5.80	4.70	289,528,658
827	2,157	6.30	6.60	5.70	288,220,950
827	2,108	9.80	11.20	9.70	310,769,520

London City School District
Principal Employers
Fiscal Years 2009 and 2000

Employer	2009		
	Total Employees	Rank	Percentage of Total Employees
State of Ohio	1,400	1	29.35%
Stanley Electric U.S. Company Inc.	752	2	15.77
Nissen Chemitec America	452	3	9.48
Madison County Hospital	425	4	8.91
Madison County	400	5	8.39
Staples Distribution	400	6	8.39
Wal-Mart	250	7	5.24
The Kroger Company	200	8	4.19
MATCO Services	200	9	4.19
Intellegated Products Bodycote	150	10	3.15
BST Trucking	140	11	2.94
Church & Dwight	-	-	-
Total Employees	<u>4,769</u>		<u>100.00%</u>

Source: Madison County Chamber of Commerce

2000		
Total Employees	Rank	Percentage of Total Employees
1,289	1	32.34%
605	2	15.18
452	3	11.34
380	5	9.54
400	4	10.04
200	6	5.02
-	-	-
200	7	5.02
190	8	4.77
-	-	-
140	9	3.51
129	10	3.24
<u>3,985</u>		<u>100.00%</u>

*London City School District
Building Statistics
Last Five Fiscal Years*

<u>Building</u>	<u>Primary Use of Building</u>	<u>2005 (1) Average Daily Membership</u>	<u>2006 Average Daily Membership</u>
London High School	High School	605	585
London Middle School	Middle School	328	327
London Elementary School	Pre-Kindergarten	N/A	N/A
London Elementary School	1st through 6th grades	937	939
London Primary School	Pre-Kindergarten and Kindergarten	197	239
London Primary School	6th Grade	N/A	N/A

Source: School District Records

(1) 2005 is the first fiscal year information is available.

N/A - Not Available

<u>2007</u> <u>Average Daily</u> <u>Membership</u>	<u>2008</u> <u>Average Daily</u> <u>Membership</u>	<u>2009</u> <u>Average Daily</u> <u>Membership</u>
614	616	591
343	341	324
N/A	1,026	1,034
984	N/A	N/A
220	N/A	N/A
N/A	174	159

London City School District
Employees by Function
Last Nine Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009
Governmental Activities									
Instruction:									
Regular	104.50	104.50	110.00	106.00	107.00	103.00	108.00	105.00	110.00
Special	30.00	31.00	30.00	34.00	33.00	33.00	26.00	33.00	33.00
Vocational	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00
Support Services:									
Pupils									
Guidance Counselors	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Psychologists	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Speech and Language Pathologists	1.00	1.00	0.00	0.00	0.00	2.00	2.00	2.00	2.00
Nurse	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Attendance Officer	0.50	0.50	0.00	0.50	0.50	0.50	0.50	0.50	0.50
Instructional Staff									
Aides/Paraprofessionals	18.00	19.00	20.50	20.00	16.00	20.00	21.00	24.00	25.00
Librarians	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Administration									
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Superintendent	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00
Coordinator	1.00	1.00	2.00	2.00	1.00	1.00	3.00	3.00	3.00
Executive Assistant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Principals/Assistant Principals	7.00	7.00	7.00	7.00	7.00	7.00	6.00	7.00	7.00
Dean	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Secretaries	11.00	11.00	11.00	11.00	10.00	10.00	10.00	11.00	11.00
Fiscal									
Treasurer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Accounts Specialists	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	2.00
Operation and Maintenance of Plant									
Maintenance Supervisor	0.50	0.50	0.50	0.50	0.50	0.50	0.00	1.00	1.00
Custodians	12.00	11.00	10.00	11.00	11.00	11.00	11.00	10.00	11.00
Maintenance	3.00	3.00	4.00	4.00	4.00	4.00	4.00	3.50	3.50
Pupil Transportation									
Transportation Supervisor	0.50	0.50	0.50	1.00	1.00	1.00	0.50	0.50	0.50
Bus Drivers	12.00	12.00	12.00	12.00	12.00	13.00	12.00	12.50	12.50
Mechanics	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Central									
EMIS Coordinator	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00
Technology Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Operation of Non-Instructional Services:									
Food Service Operations:									
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Cooks	12.00	13.00	12.00	11.00	16.00	14.00	15.00	13.00	14.00
Other									
After Care	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00
Adult Basic Education	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Extracurricular Activities									
Athletic Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total Number of Employees	237.5	239.5	243.00	244.50	241.50	241.50	240.50	248.50	258.00

Method: Using 1.0 for each full-time employee and 0.50 for part-time and seasonal employee.

Source: School District Records (Count is taken on June 30th of each fiscal year)

Information prior to fiscal year 2001 was not available.

London City School District
Per Pupil Cost
Last Nine Fiscal Years

Year	General Government Expenditures	Average Daily Membership	Per Pupil Cost	Teaching Staff (1)	Pupil/ Teacher Ratio
2001	\$13,273,547	2,129	\$6,235	150	14.19
2002	48,869,350	2,098	23,293	151	13.89
2003	24,668,181	2,082	11,848	152	13.70
2004	38,066,057	2,250	16,918	154	14.61
2005	21,197,561	2,067	10,255	149	13.87
2006	22,296,033	2,090	10,668	153	13.66
2007	22,050,899	2,161	10,204	155	13.94
2008	23,999,162	2,157	11,126	156	13.83
2009	26,654,223	2,108	12,644	159	13.26

Source: School District Records

- (1) Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
2001 is the first fiscal year information is available

*London City School District
Full-Time Equivalent Teachers by Education
Last Nine Fiscal Years*

Degree	2001 (1)	2002	2003
Bachelor's Degree	39	44	35
Bachelor + 15 Hours	47	41	43
Master's Degree	30	34	39
Master's Degree + 15 Hours	34	32	35
Master's Degree + 30 Hours	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total	<u><u>150</u></u>	<u><u>151</u></u>	<u><u>152</u></u>

Source: School District Records

(1) 2001 is the first fiscal year information is available.

N/A - Not Available

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
32	24	22	24	21	24
38	37	30	28	28	25
49	51	60	61	62	66
35	37	41	42	45	32
<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>12</u>
<u>154</u>	<u>149</u>	<u>153</u>	<u>155</u>	<u>156</u>	<u>159</u>

London City School District
Full-Time Equivalent Teachers by Years of Experience
Last Nine Fiscal Years

<u>Years of Experience</u>	<u>2001 (1)</u>	<u>2002</u>	<u>2003</u>
0 - 5	50	52	55
6 - 10	20	22	23
11 - 15	21	18	14
16 - 20	21	21	22
21 - 25	18	17	19
26 and over	<u>20</u>	<u>21</u>	<u>19</u>
Total	<u><u>150</u></u>	<u><u>151</u></u>	<u><u>152</u></u>

Source: School District Records

(1) 2001 is the first fiscal year information is available.

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
54	55	50	46	43	46
25	24	31	34	36	29
14	15	16	19	24	30
21	19	19	16	11	15
20	18	16	18	22	19
<u>20</u>	<u>18</u>	<u>21</u>	<u>22</u>	<u>20</u>	<u>20</u>
<u><u>154</u></u>	<u><u>149</u></u>	<u><u>153</u></u>	<u><u>155</u></u>	<u><u>156</u></u>	<u><u>159</u></u>

*London City School District
Enrollment
Last Six Fiscal Years*

<u>Year</u>	<u>Preschool</u>	<u>K</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
2004 (1)	24	168	136	154	163	159	155
2005	36	161	174	130	156	165	153
2006	46	193	153	171	132	163	161
2007	38	162	199	158	171	138	169
2008	41	171	181	185	141	156	151
2009	41	167	174	170	177	145	160

Source: School District Records

(1) 2004 is the first fiscal year information is available.

<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>Total</u>
170	178	151	177	152	153	142	2,250
159	146	182	163	156	144	142	2,067
159	180	147	175	145	136	129	2,090
169	177	166	187	169	128	130	2,161
174	163	178	189	154	145	128	2,157
159	159	166	178	151	119	142	2,108

London City School District
Percentage of Students who Receive Free and Reduced Lunches
Last Five Fiscal Years

District Buildings	2005 (1)	2006
London High School	14.69%	15.94%
London Middle School - 6th grade	N/A	N/A
London Middle School - 7th and 8th grades	28.87%	32.11%
London Elementary School - Preschool through 5th grades	N/A	N/A
London Elementary School - 1st through 6th grades	38.85%	40.97%
London Primary School - Preschool through Kindergarten	55.56%	39.60%

Source: Food Service Director Records

(1) 2005 is the first fiscal year information is available.

N/A - Not Available

<u>2007</u>	<u>2008</u>	<u>2009</u>
18.25%	18.52%	17.63%
N/A	44.37%	50.00%
34.41%	34.69%	32.03%
N/A	45.42%	43.88%
44.27%	N/A	N/A
39.80%	N/A	N/A

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**LONDON CITY SCHOOL DISTRICT
MADISON COUNTY, OHIO**

Reports Issued Pursuant to
Government Auditing Standards
and
OMB Circular A-133

For the year ended June 30, 2009

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**LONDON CITY SCHOOL DISTRICT
MADISON COUNTY, OHIO**

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

London City School District
Madison County
60 South Walnut Street
London, Ohio 43140

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the London City School District, Madison County, Ohio (the District) as of and for the year ended June 30, 2009, and have issued our report thereon dated January 20, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

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

We did note certain internal control deficiencies that we reported to management of the District in a separate letter dated January 20, 2010.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings and Questioned Costs as items 2009-1 through 2009-4.

We did note certain other noncompliance or other matters that we reported to management of the District in a separate letter dated January 20, 2010.

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

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



Kennedy Cottrell Richards LLC
January 20, 2010

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR
FEDERAL PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133**

London City School District
Madison County
60 South Walnut Street
London, Ohio 43140

To the Board of Education

Compliance

We have audited the compliance of London City School District, Madison County, Ohio (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2009. The 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 its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

The District's basic financial statements include the operations of the London Academy, a component unit of the District. The London Academy received \$36,966 and expended \$36,966 in federal awards for the year ended June 30, 2009 that are not included in the Schedule of Receipts and Expenditures of Federal Awards for the District for the fiscal year ended June 30, 2009. Our audit of the federal awards, described below, did not include the operations of London Academy. The London Academy expended less than \$500,000 for the year June 30, 2009 and thus was not required to have an audit of its Federal Award Program in accordance with OMB Circular A-133.

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

As discussed in finding 2009-5 in the accompanying Schedule of Findings and Questioned Costs, the District did not comply with Period of Availability requirements applicable to the Title I federal program. Compliance with this requirement is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance noted above, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2009.

In a separate letter to the District's management dated January 20, 2010, we reported other matters related to federal noncompliance not requiring inclusion in this report.

Internal Control over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. The results of our tests disclosed a significant deficiency in internal control that is required to be reported. This significant deficiency in internal control is related to noncompliance noted with the Title I federal program as described in the accompanying Schedule of Findings and Questioned Costs as item 2009-5.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We believe the significant deficiency in internal control over compliance described above to be a material weakness, as defined above.

In a separate letter to the District's management dated January 20, 2010, we reported other matters related to internal control over federal compliance not requiring inclusion in this report.

The District's response to the finding we identified is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the District's response and, accordingly, we express no opinion on it.

Schedule of Receipts and Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of London City School District, Madison County, Ohio, as of and for the year ended June 30, 2009, and have issued our report thereon dated January 20, 2010. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of receipts and expenditures of federal awards provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Kennedy Cottrell Richards LLC
January 20, 2010

**LONDON CITY SCHOOL DISTRICT
MADISON COUNTY**

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

FEDERAL GRANTOR <i>Pass Through Grantor</i>	Grant Year(s)	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
Program Title						
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education</i>						
Nutrition Cluster:						
School Breakfast Program	2008/2009	10.553	53,095	-	53,095	-
National School Lunch Program	2008/2009	10.555	244,599	42,165	244,599	42,165
Total Nutrition Cluster			<u>297,694</u>	<u>42,165</u>	<u>297,694</u>	<u>42,165</u>
Total U.S. Department of Agriculture			<u>297,694</u>	<u>42,165</u>	<u>297,694</u>	<u>42,165</u>
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education</i>						
Adult Education - Basic Grants to States	2008/2009	84.002	55,571	-	65,537	-
Title I Grants to Local Educational Agencies	2008/2009	84.010	444,362	-	516,743	-
Special Education Cluster:						
Special Education Grants to States	2008/2009	84.027	417,177	-	419,392	-
Special Education Preschool Grants	2008/2009	84.173	13,751	-	11,974	-
Total Special Education Cluster			<u>430,928</u>	<u>-</u>	<u>431,366</u>	<u>-</u>
Safe & Drug Free School Communities State Program	2008/2009	84.186	14,407	-	17,316	-
State Grants for Innovative Programs	2008/2009	84.298	3,135	-	11,151	-
Education Technology State Grants	2008/2009	84.318	2,643	-	3,480	-
Title III	2008	84.365	3,735	-	964	-
Improving Teacher Quality State Grants	2008/2009	84.367	120,207	-	125,080	-
Total U.S. Department of Education			<u>1,074,988</u>	<u>-</u>	<u>1,171,637</u>	<u>-</u>
Total			<u>1,372,682</u>	<u>42,165</u>	<u>1,469,331</u>	<u>42,165</u>

The accompanying notes are an integral part of this schedule.

**LONDON CITY SCHOOL DISTRICT
MADISON COUNTY, OHIO**

NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2009

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Receipts and Expenditures of Federal Awards (the Schedule) summarizes activity of the District's federal award programs. This schedule includes federal receipts and expenditures of the District but does not include the federal receipts and disbursements of the discretely presented component unit. The schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

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

NOTE C - CHILD NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE D – FOOD DONATION PROGRAM

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair value of the commodities received.

**LONDON CITY SCHOOL DISTRICT
MADISON COUNTY, OHIO**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2009

1. SUMMARY OF AUDITOR'S RESULTS
--

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material internal control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	Yes
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Qualified: Title I CFDA # 84.010 Unqualified: Special Education Cluster CFDA # 84.027 CFDA # 84.173
(d)(1)(vi)	Are there any reportable findings under § .510(a) of Circular A-133?	Yes
(d)(1)(vii)	Major Programs (list):	Title I CFDA # 84.010 Special Education Cluster CFDA #84.027 CFDA #84.173
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All others
(d)(1)(ix)	Low Risk Auditee?	No

**LONDON CITY SCHOOL DISTRICT
MADISON COUNTY, OHIO**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2009

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

2009-1 Noncompliance: Amended Certificates of Estimated Resources

Ohio Revised Code Section 5705.36(A)(2) allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources.

Ohio Revised Code Section 5705.36(A)(4) further requires obtaining a reduced amended certificate if the amount of the deficiency will reduce available resources below the current level of appropriation.

We noted for the following funds that the District appropriated more than available resources and did not file an amended certificate:

<u>Fund</u>	<u>Resources</u>	<u>Appropriations</u>	<u>Excess</u>
Cafeteria	\$ 673,560	\$ 689,012	\$ 15,452
Education Foundation	26,529	64,510	37,981
District Managed Student Activities	164,520	189,509	24,989
Auxiliary Services	165,949	277,547	111,598
Poverty Based Assistance	149,703	160,000	10,297
Adult Basic Literacy Education	49,893	75,611	25,718
Title VI-B	358,414	544,572	186,158
Bilingual Education Program	(2,022)	749	2,771
Title I	350,389	701,200	350,811
Title II	4,955	7,699	2,744
Safe and Drug Free Schools	4,674	12,455	7,781
IDEA Preschool	18,451	24,898	6,447
Title II-A	95,592	173,775	78,183
Miscellaneous Federal Grants	11,004	14,024	3,020
Permanent Improvement	142,057	247,548	105,491

We recommend the District implement internal control procedures capable of preventing such instances of noncompliance in future periods. We also recommend that District management reduce appropriations and estimated revenues if actual revenues are not expected to meet the estimates.

Official's Response

The School District has changed procedures for budgeting revenues and expenditures to ensure compliance.

**LONDON CITY SCHOOL DISTRICT
MADISON COUNTY, OHIO**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2009

2009-2 Noncompliance: Expenditures Limited By Appropriations

Ohio Revised Code Section 5705.41(B) provides, in part, that no subdivision or taxing unit shall "make any expenditure of money unless it has been appropriated as provided in such chapter."

Ohio Revised Code Section 5705.42 further provides, in part, federal and state grants or loans are "deemed appropriated for such purpose by the taxing authority" as provided by law and shall be recorded as such by the fiscal officer of the subdivision, and is deemed in process of collection. In other words, this section effectively eliminates an unnecessary appropriation action by the taxing authority but does direct the fiscal officer to record the appropriation amount in the accounting system to properly monitor budget versus actual activity.

At June 30, 2009, we noted the following fund had expenditures in excess of appropriations at legal level of control:

<u>Fund</u>	<u>Appropriations</u>	<u>Budgetary Expenditures</u>	<u>Excess</u>
Debt Service	\$ 48,600	\$ 2,394,181	\$ 2,345,581
Cafeteria	689,791	690,152	361
Title II	7,699	10,562	2,863

We also noted the appropriations for several other federal and state funds were not properly recorded into the accounting system, thus not allowing the District to properly monitor budget versus actual activity.

We recommend the District implement internal control procedures capable of preventing such instances of noncompliance in future periods. Also, we recommend that all appropriations are entered in the District's accounting system to allow for proper monitoring of the budget versus actual activity.

Official's Response

The School District has changed procedures for budgeting revenues and expenditures to ensure compliance.

2009-3 Noncompliance: Negative Fund Balances

Ohio Revised Code Section 5705.10(H) provides, in part, money paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund

However, Ohio Rev. Code section 3315.20 provides an allowable exception for school districts. A school district may have a deficit in any special fund of the school district, but only if all of the following conditions are satisfied:

- o The school district has a request for payment pending with the state sufficient to cover the amount of the deficit [R.C. § 3315.20(A)]
- o There is a reasonable likelihood that the payment will be made [R.C. § 3315.20(A)]

**LONDON CITY SCHOOL DISTRICT
MADISON COUNTY, OHIO**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2009

2009-3 Noncompliance: Negative Fund Balances (Continued)

- o The unspent and unencumbered balance in the school district's general fund is greater than the aggregate of deficit amounts in all of the school district's special funds. [R.C. § 3315.20(B)]

At June 30, 2009, we noted the following funds had negative fund balances and did not meet all of the conditions noted above:

<u>Funds</u>	<u>Amounts</u>
Cafeteria	\$ 15,132
Education Foundation	17,108
Adult Basic Literacy Education	14,919
Title VI-B	42,459
Title I	157,031
Title II	5,607
Safe and Drug Free Schools	5,565
IDEA Preschool	5,070
Title II-A	24,948
Miscellaneous Federal Grants	796
Permanent Improvement	105,491

We recommend the District implement procedures capable of preventing future instances of noncompliance. The District should consider advancing funds on an as needed basis to cover the negative balances.

Official's Response

The School District has modified year end procedures to ensure compliance.

2009-4 Noncompliance: Appropriation Limited by Estimated Resources

Ohio Revised Code Section 5705.39 states, in part, that total appropriations from each fund should not exceed the total estimated resources.

At June 30, 2009, we noted the following funds had appropriations exceeding estimated resources:

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
Ohio Classroom Facilities	\$ 128,004	\$ 268,389	\$ 140,385
Entry Year Grant	-	6,300	6,300
SchoolNet Professional Development	3,690	4,410	720
Adult Basic Literacy Education	70,657	75,611	4,954
Bilingual Education Program	(2,022)	749	2,771
Safe and Drug Free Schools	11,550	12,455	905
Title II-A	162,121	173,775	11,654
Permanent Improvement	244,820	247,548	2,728

**LONDON CITY SCHOOL DISTRICT
MADISON COUNTY, OHIO**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2009

2009-4 Noncompliance: Appropriation Limited by Estimated Resources

We recommend the District implement procedures capable of preventing future instances of noncompliance.

Official's Response

The School District has changed procedures for budgeting revenues and expenditures to ensure compliance.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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CFDA Title and Number	<u>Title 1</u> Grants to Local Education Agencies – CFDA 84.010
Grant Year	2009
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education
Finding Number	2009-5

Material Weakness/Noncompliance: Period of Availability

The Office of Management and Budget (OMB) Circular A-102 (The Common Rule) states that Federal awards may specify a time period during which the non-federal entity may use Federal funds. Where a funding period is specified, a non-Federal entity may charge to the award only costs resulting from obligations incurred during the funding period.

In Ohio, programs included in the Ohio Department of Education's (ODE) Consolidated Application have a project period starting with the application substantially approved date through June 30.

ODE defines the substantially approved date as follows:

When the district/agency submits a Consolidated Application to ODE as *Authorized Representative Approved*, it is considered to be substantially approved. From this date forward, legal obligations can be incurred for expenses as long as the budgets submitted by the district/agency meet the budget requirements for the use of funds.

In order to be Substantially Approved, each grant in the Consolidated Application must have a budget with activities/expenditures and Goals/Strategies/Action Steps that describe the actual planning and use of resources to impact student achievement.

During our testing of Title I grant expenditures, we noted \$27,691 of payroll expenditures charged to the 2009 grants prior to the substantially approved date. This amount, \$27,691, will be considered questioned costs.

LONDON CITY SCHOOL DISTRICT
MADISON COUNTY, OHIO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2009

Material Weakness/Noncompliance: Period of Availability (Continued)

We recommend the District devise and implement internal control policies and procedures capable of providing management with assurance that only obligations incurring within a federal grant programs funding period are being charged to that federal program. Such procedures could consist of someone having knowledge of grant requirements reviewing all charges to federal grant programs.

Official's Response

The School District has implemented internal controls to ensure compliance.

**LONDON CITY SCHOOL DISTRICT
MADISON COUNTY, OHIO**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

JUNE 30, 2009

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-1	Ohio Revised Code Section 5705.41(B) Expenditures Limited by Appropriations and Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16 Board Approval of Inter-fund Transfer and Advances	No	Partially corrected. Ohio Revised Code Section 5705.41(B) Expenditures Limited by Appropriations repeated as Finding 2009-2 and Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16 Board Approval of Inter-fund Transfer and Advances is fully corrected.

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

London City School District
Madison County
60 South Walnut Street
London, Ohio 43140

To the Board of Education:

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

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

1. We noted the Board adopted an anti-harassment policy at its meeting on February 18, 2008.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
 - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
 - (3) A procedure for reporting prohibited incidents;
 - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
 - (6) A procedure for documenting any prohibited incident that is reported;
 - (7) A procedure for responding to and investigating any reported incident;
 - (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;

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

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

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



Kennedy Cottrell Richards LLC
January 20, 2010



Mary Taylor, CPA
Auditor of State

LONDON CITY SCHOOL DISTRICT

MADISON 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
APRIL 1, 2010