



Dave Yost • Auditor of State

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY

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**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$2,263,341
National School Lunch Program	10.555	N/A	4,987,421
National School Lunch Program - Incentive	10.555	N/A	96,688
<i>Direct Award</i>			
National School Lunch Program - Cash in Lieu of Commodities	10.555		491,007
Total National School Lunch Program			<u>5,575,116</u>
<i>Passed Through Ohio Department of Education</i>			
Summer Food Service Program for Children	10.559	N/A	203,465
Total Child Nutrition Cluster			<u>8,041,922</u>
Fresh Fruit and Vegetable Program	10.582	N/A	365,733
Total U.S. Department of Agriculture			<u>8,407,655</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010	S010A150035	10,130,355
Special Education Cluster (IDEA):			
Special Education Grants to States	84.027	H027A150111	3,884,807
Special Education Preschool Grants	84.173	H173A150119	151,200
Total Special Education Cluster (IDEA):			<u>4,036,007</u>
Career and Technical Education - Basic Grants to States	84.048	N/A	601,055
Education for Homeless Children and Youth	84.196	N/A	117,722
Twenty-First Century Community Learning Centers	84.287	N/A	185,454
English Language Acquisition State Grants	84.365	N/A	142,262
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	S367A150034	933,780
School Improvement Grants	84.377	N/A	826,818
ARRA - State Fiscal Stabilization Fund (SFSF) - Race to the Top Incentive Grants - Resident Educator	84.395	N/A	199,101
Total U.S. Department of Education			<u>17,172,554</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through Ohio Department of Job and Family Services</i>			
Refugee and Entrant Assistance-Discretionary Grants	93.576	N/A	45,485
Total U.S. Department of Health and Human Services			<u>45,485</u>
Total Federal Awards Receipts and Expenditures			<u>\$25,625,694</u>

The accompanying notes are an integral part of this schedule.

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards is a summary of activity of all federal award programs of the Dayton City School District. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – U.S. DEPARTMENT OF AGRICULTURE PROGRAMS

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

NOTE 4 - MATCHING REQUIREMENTS

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

NOTE 5 - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2015 to 2016 programs:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amt. Transferred</u>
Title I Grants to Local Educational Agencies	84.010	\$5,450,498
Supporting Effective Instruction State Grant	84.367	1,910,737
English Language Acquisition State Grants	84.365	52,242
Special Education Grants to States	84.027	1,928,081
Special Education Preschool Grants	84.173	45,815



Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Dayton City School District, Montgomery County, (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 29, 2016.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2016-001.

District's Response to Finding

The District's response to the finding 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.

Purpose of this Report

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

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

Dave Yost
Auditor of State
Columbus, Ohio

December 29, 2016



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited the Dayton City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the Dayton City School District's major federal programs for the year ended June 30, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on each of the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Dayton City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Dayton City School District (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 29, 2016. We conducted our audit to opine on the District's' basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State
Columbus, Ohio

December 29, 2016

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**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2016**

1. SUMMARY OF AUDITOR'S RESULTS
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<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR §200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Title I Grants to Local Educational Agencies (CFDA # 84.010) Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants) (CFDA # 84.367) School Improvement Grants (CFDA # 84.377)
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 768,771 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

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

FINDING NUMBER 2016-001

NONCOMPLIANCE/ FINDING FOR RECOVERY REPAID UNDER AUDIT

On April 28, 2016, the District issued check number 201125 to Adventure Student Travel in the amount of \$19,600 for a field trip to Cleveland on May 2 and 3, 2016. In accordance with the District policy, the requestor of an advance payment was required to submit all invoices and receipts to the Treasurer's office within 60 days from date of payment. However, no invoices were submitted to the Treasurer's office. The actual cost of the trip was \$13,007 and the District overpaid Adventure Student Travel \$6,593 out of the school improvement grant fund. The Company did not refund the District for the overpayment or apply credit towards another trip.

In accordance with the forgoing facts, and pursuant to **Ohio Revised Code § 117.28**, a finding for recovery for public money illegally expended in the amount of \$6,593 is hereby issued against Adventure Student Travel and in favor of Dayton City School District's School Improvement Grant Fund.

On December 6, 2016, Adventure Student Travel repaid the finding amount via check number 7713.

Policies and procedures should be established and implemented to verify that invoices or receipts are received and approved for all advance payments made by the District in accordance with its purchasing policy. Additionally, the District should contact Ohio Department of Education to see how the District should handle the refund as it was received after the close of the grant. Failure to properly monitor expenditures could result in errors, fraud, theft or abuse going unnoticed.

Official's Response:

We will make sure our established policies and procedures on payment enclosed is followed strictly. We are correcting this issue by adding PE requisition code for "Payment Enclosed Request" in the system so that the requester will select "PE" from the requisition field and the payment enclosed is attached to the PR for approval. Monthly PE report will be generated for all PEs greater than 30 days and reviewed by the Asst. Treasurer and Treasurer.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
JUNE 30, 2016**

Finding Number	Finding Summary	Status	Additional Information
2015-001	Ohio Rev. Code § 5705.14 (B) – Illegal transfer of money	Corrective action taken and finding is fully corrected.	
2015-002	Ohio Rev. Code § 5705.10(I) – The District paid one of its debt issuances out of the wrong fund	Corrective action taken and finding is fully corrected.	
2015-003	Ohio Rev. Code § 5705.40 – The Treasurer amended appropriation measures without board approval	Corrective action taken and finding is fully corrected	
2015-004	Ohio Rev. Code § 3318.12(C)(2) and – Ohio Rev. Code § 5705.10(I) The District paid Ohio School Facilities Commission’s proportionate share of the surplus from the wrong fund	Corrective action taken and the finding is fully corrected	
2015-005	20 USC § 6622(c) – the District did not conduct an self -assessment of local needs under Improving Teacher Quality State Grants program	Corrective action taken and the finding is fully corrected	
2015-006	2 CFR § 200.305(b) – Title I cash management requirements	Corrective action taken and the finding is fully corrected	

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
JUNE 30, 2016

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2016-001	We will make sure our established policies and procedures on payment enclosed is followed strictly. We are correcting this issue by adding PE requisition code for "Payment Enclosed Request" in the system so that the requester will select "PE" from the requisition field and the payment enclosed is attached to the PR for approval. Monthly PE report will be generated for all PEs greater than 30 days and reviewed by the Asst. Treasurer and Treasurer.	June 30, 2017	Hiwot Abraha, Treasurer

DAYTON

PUBLIC SCHOOLS

Dayton City School District Comprehensive Annual Financial Report

for the Fiscal Year Ended June 30, 2016



Comprehensive Annual Financial Report

of the

Dayton City School District

for the

Fiscal Year Ended June 30, 2016

Prepared by

Treasurer's Office

Hiwot Abraha

Treasurer/CFO



115 South Ludlow Street
Dayton, Ohio 45402



Dayton Board of Education

June 30, 2016



Adil Baguirov, Ph.D.
President



Sheila Taylor
Vice President



Joseph E. Lacey
Board Member



Ronald C. Lee
Board Member



John McManus
Board Member



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



Robert C. Walker, D.Min.
Board Member



Rhonda Corr, Ed.S.
Superintendent



Hiwot Abraha
Treasurer/CFO

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2016**

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**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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MONTGOMERY COUNTY, OHIO
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MONTGOMERY COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Rhona Corr
Superintendent

Hiwot Abraha
Treasurer/CFO

December 29, 2016

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Dayton City School District (District) for the fiscal year ended June 30, 2016. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report is prepared in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. We believe the enclosed data is fairly presented in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District. We further believe all disclosures necessary to enable the reader to gain an understanding of the School District's financial activities have been included. This report has been prepared by the Treasurer/Chief Financial Officer's Office and includes an opinion from the Ohio Auditor of State.

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

The Ohio Auditor of State has issued an unmodified opinion on the School District's financial statements for the fiscal year ended June 30, 2016. The report of the independent auditor's is located in the front of the financial section of this report.

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

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

SCHOOL DISTRICT PROFILE

The School District and Its Facilities

The School District is located in Montgomery County (County) approximately 68 miles west of the City of Columbus and 52 miles north of the City of Cincinnati. The territory of the School District consists of a portion of two townships: Harrison and Jefferson, as well as portions of the City of Dayton (City), the City of Riverside, and the City of Trotwood. The School District's total area is approximately 49 square miles. The School District provides educational services, as mandated by state and/or federal laws, to children located within its boundaries. For the 2015-2016 school year, the School District was the 12th largest school district in the State of Ohio with 13,721 enrolled students.

School District Facilities

Name of Building	Grades	Projected Enrollment (2016-2017)	Capacity	Year Building Completed
Belle Haven Elementary	PK-8	399	473	2006
Charity Adams Earley Girls Academy	K-7	409	473	2011
Cleveland Elementary	PK-6	439	473	2007
Dayton Boys Prep Academy	PK-8	234	473	2010
E.J. Brown Middle School	7-8	350	473	2009
Eastmont Elementary	PK-6	420	473	2011
Edison Elementary	PK-6	428	473	2010
Fairview Elementary	PK-6	519	473	2011
Gorman at Jackson 1	PK-8	NA	418	1960
Horace Mann Elementary	PK-6	453	473	2008
Kemp Elementary	PK-6	476	473	2008
Kiser Elementary	PK-6	534	473	2006
Louise Troy Elementary	PK-5	444	473	2008
Meadowdale Elementary	PK-6	358	550	2011
River's Edge Montessori	PK-6	594	550	2011
Rosa Parks Early Learning Center	PK-K	301	473	2007
Ruskin Elementary	PK-6	549	473	2008
Valerie Elementary	PK-6	410	336	1966
Westwood Elementary	PK-6	349	473	2008
Wogaman Middle School	7-8	311	473	2006
World of Wonder Elementary	PK-6	311	473	2010
Wright Brothers Middle School	7-8	391	473	2012
Belmont High School	7-12	919	945	2011
David H. Pontiz Career Tech. Center	9-12	759	800	2009
Dunbar High School	9-12	613	645	2009
Meadowdale High School	9-12	602	645	2010
Stivers School for the Arts	7-12	870	998	2007
Thurgood Marshall High School	9-12	631	675	2008
Longfellow Alternative	K-12	87	919	1880
Total	n/a	13,160	15,995	n/a

1 The Gorman at Jackson was closed starting in fiscal year 2016.

Organization of the School District

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

<u>Official</u>	<u>Office</u>	<u>Expiration of Current Term</u>	<u>Beginning of Tenure</u>
Dr. Adil T. Baguirov	President	12/31/2017	01/01/2014
Sheila Taylor	Vice President	12/31/2019	01/01/2008
Ronald C. Lee	Member	12/31/2017	11/01/2007
Joseph Lacey	Member	12/31/2017	01/01/2006
John McManus	Member	12/31/2019	01/01/2016
Dr. Hazel G. Rountree	Member	12/31/2017	01/01/2014
Dr. Robert C. Walker	Member	12/31/2019	01/01/2012

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

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

The Superintendent of Schools is the chief executive officer of the School District. The Superintendent has the responsibility for managing and placing teachers and other employees, assigning the pupils to the proper schools and grades, and performing such other duties as determined by the Board. Mrs. Lori L. Ward served as the Superintendent from July 1, 2010 through June 30, 2016. Mrs. Ward was the Superintendent of record for this reporting period. Mrs. Rhonda Corr was appointed as the Superintendent on July 1, 2016 and her current contract runs through June 30, 2017.

The Treasurer is the chief financial officer of the School District and is appointed by and reports directly to the Board for all financial operations, investments, and custody of all School District funds and assets, and also serves as Secretary to the Board. Craig A. Jones served as the Treasurer/CFO from July 1, 2013 through July 31, 2016. He was the Treasurer of record for this reporting period. Mrs. Hiwot Abraha was appointed as the Treasurer/CFO effective August 1, 2016, and her current contract runs through July 31, 2017.

Employee Relations and Benefits

The School District currently has 1,042 certificated employees (psychologists, teachers, reserve teachers, and administrators) and 1,020 classified employees (administrators, secretarial, clerical, custodial, and cafeteria workers, as well as bus drivers and other non-teaching, non-administrative personnel). Therefore, the School District currently has approximately 2,062 full and part-time employees.

List of Employment Contracts and Expiration (as of November 2016)

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

Source: Dayton City School District

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

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

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

ECONOMIC CONDITION AND OUTLOOK

Dayton Area Economy

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

Wright Patterson Air Force Base (WPAFB) has a historically significant tie to this community and to aviation as a whole. Currently, this facility is the largest single site employer within the State of Ohio and has over 27,500 military and civilian employees. This translates into an economic impact over \$4.3 billion. The Base is headquarters for the Aeronautical Systems Center (ASC) – the foremost aeronautical acquisition center in the U.S. Air Force.

There have been 5,000 jobs added to the region from September 2014 to September 2016. Of those jobs added to the region, 2,300 were in Education and Health Services and 1,500 were in Government. One source of new jobs in the region is the 124,000 square foot Scene75 Entertainment Center facility, which opened in July 2012 as the largest indoor entertainment center in the country. The facility includes an indoor electric go-kart track, a multi-sensory 4-D theater, a laser tag arena, video gaming theaters, and other attractions. With a visible location off of Interstate 75, the entertainment complex has continued to draw visitors from all across the region.

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

Dayton Children's Hospital broke ground in August 2014 on a \$141 million 260,000 square foot eight story patient tower. Construction is expected to be completed by 2017. The hospital currently employees approximately 2,082 people.

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

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

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

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

There is also significant support for new business growth and development from the Dayton Area Chamber of Commerce, the Dayton Job Center, and BusinessFirst!, a program run by Montgomery County’s Economic Development Department. BusinessFirst! has grown in membership from 23 to 30 jurisdictions in the Greater Dayton Region, and has been instrumental in helping companies like IMI Norgren, Smiths Aerospace, SK Tech, Paxar, Dayton-Phoenix, Inc., Moto Photo, ConSpan Bridge Systems, Appleton, LORD Corporation, and more stay and grow in the region. The Miami Valley International Trade Association provides critical resources for promoting international trade in the region as well, benefiting local companies like Apache Technologies, Inc. and Dayton Systems Group Technology. On a broader scale, Ohio is the ninth-largest exporting state in the United State.

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

School Foundation

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

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

Long-term Financial Planning

As required by Ohio law, the School District approved a five-year financial forecast of operational revenues and expenditures along with assumptions in October 2016. A surplus of revenues over expenditures is projected for each of the five forecasted fiscal years. In addition, the general fund unreserved fund balance is expected to carry the 10% cash reserve policy during all 5 years of the forecast. Given the uncertainty of future state budgets, local, state and national economic factors, fiscal year 2018 and beyond may deviate significantly from the forecast.

MAJOR INITIATIVES

In 2016, the Board began work on a new strategic plan. While the Board has maintained its Contract with the Community, the new strategic plan focuses on action steps to reach the measures identified in the contract with the community. The intent of the Contract was to demonstrate that the School District is committed to becoming a more effective, efficient, and transparent educational enterprise and to establish an Accountability Panel Committee which would be responsible for monitoring the School District's progress on a quarterly and annual basis. As in the past, the School District sought candid input from parents, community members, business, labor, civic and neighborhood leaders, the faith community, School District employees, and many others. The information was used to develop the School District's strategic plan for success. The plan was developed to take us from where we are now to where we want to be. The plan is to be reviewed by community stakeholders on a three-year cycle.

Vision

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

Mission Statement

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

Values and Beliefs

We will rise by focusing our goals:

F: Focus on Literacy and Math

O: On track for graduation

C: Come to school every day

U: Utilizing stretch goals to close achievement gaps

S: Students growing academically more than one year

Five Strategic Goals:

Goal 1 - High-Quality Education

- All Students will have access to high quality instructional practices and an engaging, challenging and relevant curriculum that prepares them for college and career opportunities.

Goal 2 - High-Quality Faculty and Staff

- We will employ high quality staff who are responsive to the needs of those we serve.

Goal 3 – Engage Families

- The School District will actively engage parents to improve student achievement.

Goal 4 - Community Partnerships

- The School District will expand and strengthen the number and types of community partnerships.

Goal 5 - Fiscal Responsibility and Accountability

- The School District will implement a sound fiscal and operational accountability system.

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

- I. **Dayton Public Schools will** provide quality classroom instruction to...
 - a. Ensure that ALL students grow at least one academic year annually and are taught by effective teachers
 - b. Ensure that 80% of students are proficient on all state-mandated achievement tests
 - c. Ensure that 80% of students graduate on time and ready for post-secondary or career opportunities
 - d. Achieve a “C” or better on all Report Card categories
 - e. Provide quarterly and annual reports to the community on academic, operational and financial status. Financial metrics will include:

- i. per-pupil expenditures will be at or below the midpoint of the Ohio 8 Coalition and
- ii. the instructional percentage of the budget will be above the median of the Ohio 8 Coalition

II. The Community will...

- a. Advocate for high-quality, affordable early childhood education
- b. Advocate for youth and adult literacy
 - i. Summer academic and recreational programs
 - ii. Before/after/Saturday programs targeted at reading and math literacy
 - iii. Children birth to grade three have access at home to age appropriate books
- c. Partner with Dayton Public Schools to provide support services and college- and career-ready opportunities for students
 - i. Mentors
 - ii. Internships
 - iii. College-readiness support (college fairs and college tours)
- d. Invest in schools as community centers

III. Families will...

- a. Ensure children enter kindergarten ready to learn
- b. Participate in parent/teacher conferences
- c. Ensure children attend school daily and are prepared to learn

School District Accountability and Support

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

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

The School District's status is Intensive Support. The School District has developed an action plan which has been implemented with the State Support Team (SST) to move schools towards sustainable performance improvement. Additionally, the School District agreed to use the Ohio Early Literacy Process in two elementary schools for 2016-17.

Academic Improvement Plan

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

- Enter Kindergarten prepared to learn and grow
- Read on grade level by the end of third grade
- Close the achievement gap
- Increasing the number of graduates that are college and career ready
- Improve attendance – 10 days absent or less equals success

Academic Strategies

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

➤ **Kindergarten Readiness**

Strategy I: Lead Ready Schools coalitions for every quadrant/school to collaborate with child care and preschool providers to ensure understanding of "kindergarten readiness" definition; share Kindergarten Readiness Assessment (KRA) scores every fall and set goals with each coalition for improvement.

Strategy II: Increase access to high quality, affordable, pre-school for all 3 and 4 year olds

Strategy III: Educate parents on their role to improve readiness (through communication home to younger siblings, active participation in Passport to Kindergarten, parent workshops, invitations to school events sent to the child care providers).

Strategy IV: Review Bracken School Readiness Assessment scores of students in School District preschools in fall and differentiate instruction to improve readiness by spring. Closely monitor KRA scores for School District preschool students to drive improvements in readiness.

➤ **3rd Grade Reading Proficiency**

Strategy I. All core teachers, in grades K – 3, will be licensed with a reading endorsement or have Master's Degree in Reading.

Strategy II. Implement a balanced literacy program through the use of basal programming, which focuses on guided reading, self-selected reading, vocabulary and writing.

Strategy III. Leverage partners in education and volunteers to focus on literacy tutoring.

➤ **4th-8th Grade Transition to High School**

Strategy I. All language arts and mathematics teachers will maintain a 4 – 9 license.

Strategy II. Implement a high school and college awareness plan for all schools.

Strategy III. Implement the K12 Ohio Means Jobs program with all 6-12 students.

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

Strategy I: Offer dual enrollment courses in every high school effective August 2017.

Strategy II: Offer SAT and ACT prep courses.

Strategy III: Provide access to on-line coursework especially in “hard-to-staff” courses such as foreign language, Advanced Placement.

Strategy IV: Provide supports for older youth in transition to adulthood.

Strategy V: Provide assistance to parents as well as youth through partners on the financial aid and enrollment process for college and other post-secondary educational programs.

Creation of targeted non-academic programs and strategies

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

1. Students are Healthy
 - a. GetUp Montgomery County
 - b. Health Screenings
 - c. Immunizations
 - d. Access to fresh fruits and vegetables
 - e. Access to pediatric care for insured and uninsured children
 - f. Access to behavioral health care
2. Students Feel Safe
 - a. 21st Century grants focused on academic enrichment and reinforcing positive school climate
 - b. Collaborations with Dayton Police Department and Montgomery County Sheriff Office
 - c. Moving into the 2016-17 school year – Neighborhood organizing focused on crime prevention through partner agencies and neighborhood groups.
3. Students Live in Stable Communities
 - a. Neighborhood School Centers as a hub of activities for the community
 - b. Wrap around support services for families provided by partner human service partners
4. Family/Community Support Learning
 - a. School-based parent groups that reinforce the role parents can play in reinforcing learning and promote commitment to post-secondary educational goals for children.
 - b. Nurturing Parenting Programs
 - c. Mentoring Collaborative
 - d. Before and after school as well as summer academic enrichment/tutoring provided by DPS staff and human service agency partners with emphasis on literacy, STEM and project based learning

- e. Moving into the 2016-17 school year - Family-based ESL programs provided by human service partners.
- 5. Students with 21st Century Learning Tools
 - a. Hotspots throughout the city of Dayton provided by partners
 - b. Dual enrollment at higher education institutions

Ohio School Report Cards

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

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

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

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

There will be a total of 10 A-F grades for 2015-16. The 10 measures are under five components that will receive grades.

1. Achievement Component

- Performance Index
- Indicators Met

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

2. Progress Component

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

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

3. Graduation Rate Component

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

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

4. Gap Closing Component

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

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

5. K-3 Literacy Component

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

6. Prepared for Success Component

- College Admission Test

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

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

Summary of School District Academics

- The School District has developed plans to recruit, retain, and remunerate high quality staff. Our recruitment efforts range from partnerships with our local universities to Teach for America. In school year 2013, the School District implemented the new Ohio Teacher Evaluation System (OTES) and the Ohio Principal Evaluation System (OPES). Collectively, these two systems allow the School District to reassign, financially reward, and release staff members as appropriate.
- Many positive initiatives are being infused into the School District’s focus for improving academic achievement. A major underlying thrust for these initiatives is the implementation of the common core state standards or the Ohio Learning Standards implemented in 2014 - 2015. Ohio is one of forty-two states that have adopted the common core standards.
- The School District’s Comprehensive Continuous Improvement Plan provides a format that enables the School District to address significant teaching, learning, and accountability issues. The heart of the plan is composed of “gain targets” that reflect what students are expected to achieve on the 24 State achievement indicators. Each school has developed a school improvement plan that outlines areas of concentrated improvement efforts. School plans must address all indicators on the state report card document.
- We are proud of the fact that the highest performing high school in the City of Dayton is Stivers School for the Arts, a performing arts school attracting students not only in Dayton but also from the surrounding areas.
- The School District also received an A in Value Added for the 2015-16 school year. Three schools, Edison, Kemp, and Belle Haven received all A’s in each value added category and received the Momentum Award from the State Board of Education.

The school improvement planning process has been an annual requirement in the School District since 1993. This process has been aligned with the School District’s strategic plan. Student test results are disaggregated and analyzed to identify areas of and strategies for improvement.

Results of both School District and school improvement plans, supported by administrative work plans of instructional support staff, are publicly reported.

Information Technology Outsourcing and Systems Integration Agreement

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

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

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

The Education Foundation Fund

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

FINANCIAL POLICIES

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

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

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

The concept of reasonable assurance recognizes that:

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

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

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

The School District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered appropriation balances are verified prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year end are carried forward to succeeding fiscal year and are not re-appropriated. The Board of Education approved a Cash Balance Reserve policy in January 2015 which ensures a general fund cash balance equivalent to at least ten percent (10%) of general fund operating expenditures.

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

AWARDS AND ACKNOWLEDGEMENTS

Awards

GFOA Certificate of Achievement

The Governmental Finance Officers Association of the United States and Canada is a nonprofit association founded in 1906 that serves approximately 12,000 governmental finance professionals. For twenty three consecutive years, Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This honor is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

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

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

ASBO Certificate of Excellence

The Association of School Business Officials International, a professional organization founded in 1910, also presented the School District with a Certificate of Excellence in Financial Reporting Award for the preparation and issuance of the fiscal year 2015 school system comprehensive annual financial report. This award is granted only after an intensive review of the financial report by an expert ASBO Panel of Review consisting of certified public accountants and practicing school business officials. Receiving this award is recognition that a school system has met the highest standards of excellence in school finance reporting.

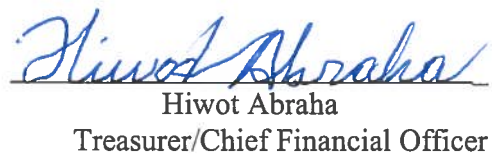
A certificate of excellence is valid for one year only. We believe our current report continues to conform to the standards set by the ASBO Panel of Review, and we are submitting it to ASBO to determine its eligibility for another award.

Acknowledgments

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



Rhonda Corr
Superintendent



Hiwot Abraha
Treasurer/Chief Financial Officer



Government Finance Officers Association

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

Presented to

**Dayton City School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Dayton City School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015.**

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



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director

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

**BOARD MEMBERS-ELECTED OFFICIALS
JUNE 30, 2016**

<u>Name</u>	<u>Began Service as a Board Member</u>	<u>Term Expires December 31</u>
Adil Baguirov, President	2014	2017
Sheila Taylor, Vice President	2008	2019
Dr. Robert C. Walker	2012	2019
Ronald C. Lee	2007	2017
Joe Lacey	2006	2017
Hazel Rountree	2014	2017
John McManus Member	2016	2019

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

**CABINET MEMBERS
JUNE 30, 2016**

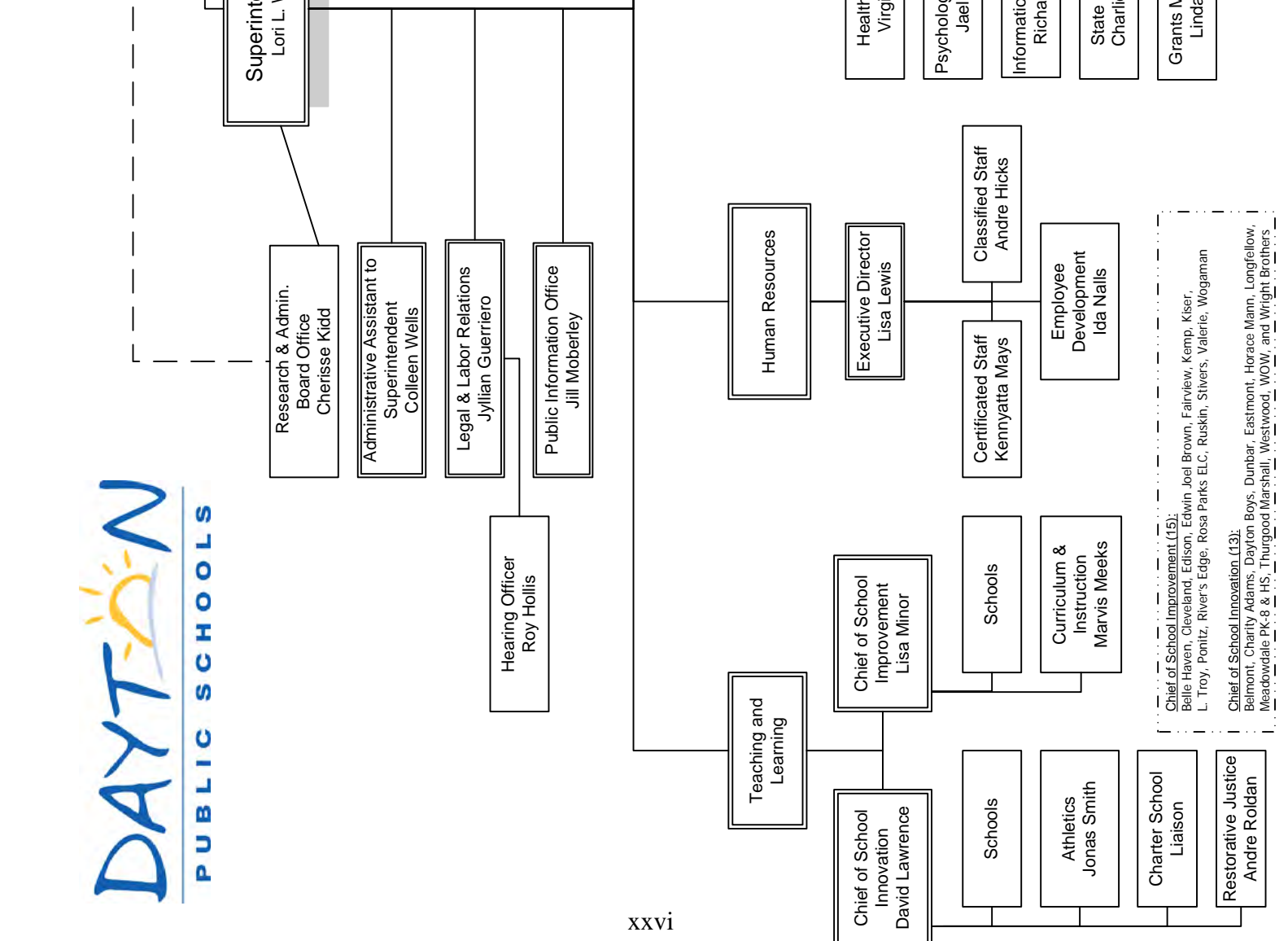
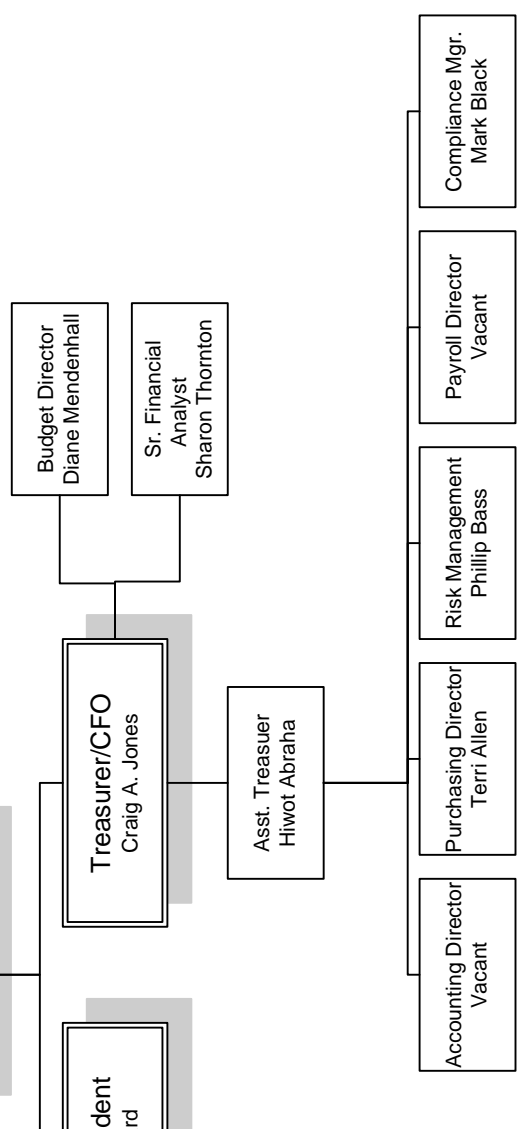
Lori L. Ward	Superintendent
Craig A. Jones	Treasurer
Hiwot Abraha	Assistant Treasurer
Shelia Burton	Associate Superintendent Student Services
Joann Wilson	Interim Operations Officer
Wyetta Hayden	Chief of School Improvement
David Lawrence	Chief of School Innovation
Jill Moberley	Public information Officer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

Board approved 8/19/2014



Community

Board of Education



Chief of School Improvement (15):
 Belle Haven, Cleveland, Edison, Edwin Joel Brown, Fairview, Kemp, Kiser,
 L. Troy, Pontitz, River's Edge, Rosa Parks ELC, Ruskin, Stivers, Valerie, Wogaman

Chief of School Innovation (13):
 Belmont, Charity Adams, Dayton Boys, Dunbar, Eastmont, Horace Mann, Longfellow,
 Meadowdale PK-8 & HS, Thurgood Marshall, Westwood, WOW, and Wright Brothers



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dayton City School District, Montgomery County, Ohio (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Dayton City School District, Montgomery County, Ohio, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2016, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

December 29, 2016

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DAYTON CITY SCHOOL DISTRICT
Montgomery County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

The discussion and analysis of the Dayton City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, Notes to the Basic Financial Statements, and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2016 are as follows:

Overall:

- Total net position increased \$27.3 million, which represented a 22.3 percent increase from fiscal year 2015.
- Total assets of governmental activities increased by \$13 million from those reported at June 30, 2015. The primary factor of the increase is due to the increase in cash received from the state and intergovernmental/taxes receivable.
- General revenues accounted for \$238.8 million or 80.5 percent of total revenue. Program specific revenues in the form of charges for services, sales, and operating grants and contributions account for \$57.8 million or 19.5 percent of total revenues of \$296.6 million.
- The General Fund reported a fund balance of \$22.8 million at June 30, 2016, compared to \$4.3 million reported in fiscal year 2015.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

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

DAYTON CITY SCHOOL DISTRICT
Montgomery County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2016?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources, using the accrual basis of accounting, similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses, regardless of when cash is received or paid.

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

DAYTON CITY SCHOOL DISTRICT
 Montgomery County, Ohio
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2016
 Unaudited

The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the fund financial statements.

Proprietary Funds

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

Fiduciary Funds

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

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. In the case of the Dayton City School District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$150 million at June 30, 2016.

Table 1 provides a summary of the School District's net position for fiscal year 2016 compared to fiscal year 2015:

TABLE 1
 Net Position (in 000's)

	2016	2015	Change
<i>Assets:</i>			
Current and other Assets	\$252,384	\$227,133	\$25,251
Capital Assets	442,409	454,375	(11,966)
Total Assets	<u>694,793</u>	<u>681,508</u>	<u>13,285</u>
<i>Deferred Outflows of Resources:</i>			
Deferred Charge on Refunding	16,609	17,702	(1,093)
Pension	24,649	16,216	8,433
Total Deferred Outflows of Resources	<u>41,258</u>	<u>33,918</u>	<u>7,340</u>

(continued)

DAYTON CITY SCHOOL DISTRICT
Montgomery County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

TABLE 1
Net Position (in 000's)
(Continued)

	<u>2016</u>	<u>2015</u>	<u>Change</u>
<i>Liabilities:</i>			
Current and Other Liabilities	21,753	22,346	(593)
Long-Term Liabilities			
Net Pension Liability	247,602	224,267	23,335
Other Amounts	225,476	238,615	(13,139)
Total Liabilities	<u>494,831</u>	<u>485,228</u>	<u>9,603</u>
<i>Deferred Inflows of Resources:</i>			
Property and Other Local Taxes	70,396	67,419	2,977
Pension	20,889	40,165	(19,276)
Total Deferred Inflows of Resources	<u>91,285</u>	<u>107,584</u>	<u>(16,299)</u>
<i>Net Position:</i>			
Net Investment in Capital Assets	241,848	242,654	(806)
Restricted	70,333	69,805	528
Unrestricted (Deficit)	(162,246)	(189,845)	27,599
Total Net Position	<u>\$149,935</u>	<u>\$122,614</u>	<u>\$27,321</u>

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2016 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

GASB 68 requires the net pension liability to equal the School District's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the

DAYTON CITY SCHOOL DISTRICT

Montgomery County, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2016

Unaudited

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

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

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

Total assets of the School District at June 30, 2016 were \$694.7 million, compared with \$681.5 million reported for the prior fiscal year. Current and other assets increased \$25.3 million mainly due to an increase in cash and cash equivalents of \$20.6 million which is closely related to the increase in State foundation funding.

Total liabilities increased \$9.6 million compared with those reported the prior fiscal year. Other long-term liabilities decreased \$13.1 million due to scheduled debt payments being made which was offset by an increase of \$23.3 million in net pension liability.

Total net position reported at June 30, 2016 is \$27.3 million more than the net position reported in the prior fiscal year primarily due to an increase in State Foundation Funding.

DAYTON CITY SCHOOL DISTRICT
Montgomery County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

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

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

	2016	2015	Change
Revenues			
Program Revenues:			
Charges for Services and Sales	\$3,121	\$3,817	(\$696)
Operating Grants and Contributions	54,698	53,064	1,634
Total Program Revenues	57,819	56,881	938
General Revenues:			
Property and Other Local Taxes	71,632	79,428	(7,796)
Grants and Entitlements	164,371	155,168	9,203
Investment Earnings	582	716	(134)
Miscellaneous	2,291	1,238	1,053
Total General Revenues	238,876	236,550	2,326
Total Revenues	\$296,695	\$293,431	\$3,264
Program Expenses			
Instruction	158,604	162,223	(3,619)
Support Services:			
Pupils and Instructional Staff	19,362	20,645	(1,283)
Board of Education, Administration, Fiscal and Business	18,587	19,843	(1,256)
Operation and Maintenance of Plant	17,809	20,447	(2,638)
Pupil Transportation	14,481	15,731	(1,250)
Central	10,861	7,908	2,953
Non-Instructional Services	10,336	10,311	25
Extracurricular Activities	1,887	2,005	(118)
Interest and Fiscal Charges	7,263	9,636	(2,373)
Unallocated Depreciation	10,184	19,202	(9,018)
Total Expenses	269,374	287,951	(18,577)
Change in Net Position	27,321	5,480	21,841
Net Position at Beginning of Year - Restated	122,614	117,134	
Net Position at End of Year	\$149,935	\$122,614	\$27,321

For fiscal year 2016, total net position increased \$27.3 million which was a large increase of 22.3 percent. Total expenses reported for fiscal year 2016 were \$269 million or \$18.5 million less than those reported for the prior fiscal year. This decrease is due to the School District continuing its concerted efforts to limit operating expenses. The School District had an insurance audit performed and from this audit they found approximately \$2 million in premium savings. Due to a large number of retirements the School District has been replacing the open positions with less experienced staff or leaving the positions unfilled.

As noted in Table 2, the School District remains heavily dependent upon general intergovernmental revenues. Approximately 68.8 percent of the School District's general revenues are received from intergovernmental sources, primarily State foundation revenue. Grants and entitlements increased due to economic disadvantaged funding from the State. Property and other local tax revenue decreased due to the phase out of Tangible Personal property deregulation.

DAYTON CITY SCHOOL DISTRICT
Montgomery County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for fiscal year 2016, as compared to those recorded in fiscal year 2015. Net cost of services provided identifies the cost of these services supported by general revenues, including tax revenue and unrestricted State entitlements.

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

	2016		2015	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$158,604	\$123,072	\$162,223	\$130,796
Support Services:				
Pupils and Instructional Staff	19,362	14,584	20,645	13,292
Board of Education, Administration, Fiscal and Business	18,587	17,523	19,843	18,574
Operation and Maintenance of Plant	17,809	17,301	20,447	19,916
Pupil Transportation	14,481	12,927	15,731	13,804
Central	10,861	10,655	7,908	7,724
Non-Instructional Services	10,336	(3,328)	10,311	(3,387)
Extracurricular Activities	1,887	1,375	2,005	1,513
Interest and Fiscal Charges	7,263	7,263	9,636	9,636
Unallocated Depreciation	10,184	10,184	19,202	19,202
Total Expenses	<u>\$269,374</u>	<u>\$211,556</u>	<u>\$287,951</u>	<u>\$231,070</u>

Table 3 shows an \$18.6 million decrease in total cost of service for fiscal year 2016 as compared to the prior fiscal year. The School District had experienced staff retire and replaced them with less experienced staff. There was also a \$9.0 million decrease in unallocated depreciation.

The School District's Funds

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

Total ending fund balance reported for governmental funds at June 30, 2016 was \$72.6 million, a \$16.1 million increase compared with the prior fiscal year.

The General Fund is the operating fund of the School District. At June 30, 2016, the ending fund balance of the General Fund was \$22.8 million compared to \$4.3 million in the prior fiscal year.

The \$18.5 million increase in the fund balance of the General Fund resulted from an increase in foundation payments received from the State during fiscal year 2016 compared to 2015.

DAYTON CITY SCHOOL DISTRICT
Montgomery County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

Expenditures decreased due to a large number of retirements from the School District and these vacant positions have been replaced with less experienced staff or leaving the positions unfilled.

The Bonds Retirement Debt Service Fund had an ending balance of \$2.8 million. Revenues of \$17.0 million were sufficient to cover the \$16.9 million in principal and interest expenditures.

General Fund Budgeting Highlights

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

During the course of fiscal year 2016, the School District amended its General Fund budget numerous times. As the School District receives unanticipated cash receipts or received less than was anticipated, it was necessary to adjust estimated resources and appropriations. Due to the numerous revisions final budgeted revenue increased \$.45 million over the original budgeted revenue. Actual revenues were \$2,172 less than the final budgeted revenues.

Final budgeted expenditures increased \$6.6 million over original appropriations. This increase is related to pay increases and an increase in insurance premiums. The actual expenditures were \$16.4 million less than the final budgeted appropriations. This decrease is related to the retirement of experienced staff replaced with less experienced staff.

Capital Assets

At the end of fiscal year 2016, the School District had \$548.3 million invested in land, buildings and improvements, furniture, fixtures and equipment, and vehicles in governmental activities and \$105.9 million of accumulated depreciation, resulting in net capital assets of \$442.4 million.

Table 4 shows fiscal year 2016 balances compared to those of fiscal year 2015:

TABLE 4
Capital Assets at June 30 (in 000's)

	2016	2015
Land	\$9,212	\$9,212
Buildings and Improvements	501,182	501,182
Furniture and Equipment	18,293	18,207
Vehicles	19,638	19,419
Less: Accumulated Depreciation	(105,917)	(93,644)
Total Capital Assets	\$442,408	\$454,376

DAYTON CITY SCHOOL DISTRICT
Montgomery County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

Overall, net capital assets decreased approximately \$12 million from fiscal year 2015. This decrease is due to current year depreciation exceeding current year additions. Additional information on the School District's capital assets can be found in Note 9 to the Basic Financial Statements.

Debt Administration

At the end of fiscal year 2016, the School District had \$217.2 million of outstanding long-term debt obligations, of which \$10.4 million is due within one year. Significant elements of the School District's outstanding long-term debt obligations outstanding at June 30, 2016 include:

- \$193.6 million in outstanding general obligation bonds, and related unamortized bond premiums, with \$11.6 million of principal payments and premium amortization made during the fiscal year 2016.
- \$10.0 million in Qualified Zone Academy Bonds for renovations to Stivers Middle School and the creation of an Arts program in Dayton. These bonds bear no interest and payment of the entire principal is due at the maturity date of December 30, 2016.
- \$13.6 million of certificates of participation and related unamortized note premium, which were originally issued to finance the purchase of the School District's administrative office building as well as additional office space.

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

Contacting the School District's Financial Management

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

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$102,346,359
Cash and Cash Equivalents with Fiscal Agent	10,773,331
Receivables:	
Property and Other Local Taxes	127,080,420
Accounts	3,991
Intergovernmental	12,121,270
Accrued Interest	58,859
Capital Assets:	
Non-Depreciable	9,212,079
Depreciable, Net of Accumulated Depreciation	433,196,903
Total Assets	694,793,212
Deferred Outflows of Resources:	
Deferred Charge on Refunding	16,609,168
Pension	24,648,952
Total Deferred Outflows of Resources	41,258,120
Liabilities:	
Accounts Payable	3,183,477
Accrued Wages and Benefits Payable	11,705,970
Intergovernmental Payable	3,957,485
Accrued Interest Payable	1,352,006
Accrued Vacation Leave Payable	1,341,519
Matured Compensated Absences Payable	213,024
Long Term Liabilities:	
Due Within One Year	14,379,782
Due in More Than One Year:	
Net Pension Liability - See Note 11	247,601,715
Other Liabilities	211,096,181
Total Liabilities	494,831,159
Deferred Inflows of Resources:	
Property and Other Local Taxes	70,396,282
Pension	20,889,413
Total Deferred Inflows of Resources	91,285,695
Net Position:	
Net Investment in Capital Assets	241,847,586
Restricted for:	
Debt Service	12,736,850
Capital Projects	30,626,281
State and Federal Grants	11,298,565
Food Service Operations	9,690,586
Special Trust	202,875
Classroom Facilities Programs	5,530,975
District Managed Student Activities	246,762
Unrestricted (Deficit)	(162,246,002)
Total Net Position	\$149,934,478

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services & Sales	Operating Grants, Interest and Contributions	
Governmental Activities:				
Instruction:				
Regular	\$121,843,455	\$1,023,739	\$4,565,987	(\$116,253,729)
Special	33,751,912	0	27,832,171	(5,919,741)
Vocational	2,981,509	0	2,109,779	(871,730)
Student Intervention Services	26,773	0	0	(26,773)
Support Services:				
Pupils	11,857,314	1,056	1,399,459	(10,456,799)
Instructional Staff	7,505,008	1,205	3,376,837	(4,126,966)
Board of Education	1,092,545	0	0	(1,092,545)
Administration	11,170,471	0	587,843	(10,582,628)
Fiscal	4,391,805	0	476,411	(3,915,394)
Business	1,931,662	0	0	(1,931,662)
Operation and Maintenance of Plant	17,809,132	508,289	0	(17,300,843)
Pupil Transportation	14,481,316	0	1,554,232	(12,927,084)
Central	10,860,544	0	205,004	(10,655,540)
Operation of Non-Instructional Services	10,336,925	1,075,285	12,589,816	3,328,176
Extracurricular Activities	1,887,419	511,825	0	(1,375,594)
Debt Service:				
Interest and Fiscal Charges	7,263,128	0	0	(7,263,128)
Unallocated Depreciation	10,183,860	0	0	(10,183,860)
Total Governmental Activities	<u>\$269,374,778</u>	<u>\$3,121,399</u>	<u>\$54,697,539</u>	<u>(211,555,840)</u>

General Revenues:	
Property Taxes Levied For:	
General Purposes	55,650,757
Debt Service	14,871,710
Capital Projects	554,973
Other Purposes	554,973
Grants and Entitlements not Restricted to	
Specific Programs	164,370,431
Investment Earnings	582,471
Miscellaneous	2,291,425
Total General Revenues	238,876,740
Changes in Net Position	27,320,900
Net Position at Beginning of Year	122,613,578
Net Position at End of Year	<u>\$149,934,478</u>

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Bond Retirement Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$33,997,783	\$1,999,347	\$38,843,237	\$74,840,367
Cash and Cash Equivalents with Fiscal Agent	0	0	10,773,331	10,773,331
<u>Receivables:</u>				
Property and Other Local Taxes	98,771,725	26,377,563	1,931,132	127,080,420
Accounts	2,812	0	1,179	3,991
Intergovernmental	52,259	0	12,069,011	12,121,270
Accrued Interest	43,783	0	15,076	58,859
Interfund Receivable	1,153,842	0	0	1,153,842
Total Assets	\$134,022,204	\$28,376,910	\$63,632,966	\$226,032,080
<u>Liabilities:</u>				
Accounts Payable	\$1,579,825	\$0	\$1,536,815	\$3,116,640
Accrued Wages and Benefits Payable	10,481,952	0	1,218,390	11,700,342
Intergovernmental Payable	3,377,614	0	575,594	3,953,208
Interfund Payable	0	0	1,153,842	1,153,842
Matured Compensated Absences Payable	200,055	0	12,969	213,024
Total Liabilities	15,639,446	0	4,497,610	20,137,056
<u>Deferred Inflows of Resources:</u>				
Property and Other Local Taxes	55,121,588	14,288,054	986,640	70,396,282
Unavailable Revenue	40,385,570	11,241,945	11,235,817	62,863,332
Total Deferred Inflows of Resources	95,507,158	25,529,999	12,222,457	133,259,614
<u>Fund Balances:</u>				
Nonspendable	255,012	0	0	255,012
Restricted	0	2,846,911	46,962,970	49,809,881
Assigned	4,850,790	0	0	4,850,790
Unassigned (Deficit)	17,769,798	0	(50,071)	17,719,727
Total Fund Balances	22,875,600	2,846,911	46,912,899	72,635,410
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$134,022,204	\$28,376,910	\$63,632,966	\$226,032,080

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2016

Total Governmental Fund Balances:		\$72,635,410
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		442,408,982
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds:		
Delinquent Property Taxes	52,505,791	
State and Federal Grants	10,357,541	
Total	62,863,332	62,863,332
The internal service funds are used by management to charge the costs of insurance and goods warehoused and distributed to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		
Internal Service Net Position	23,307,932	
Capital Assets	(34,418)	
Compensated Absences	10,882	
Accrued Vacation Leave Payable	7,982	
Claims Payable	4,136,872	
Total	27,429,250	27,429,250
In the Statement of Net Position, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due.		(1,352,006)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred Outflows - Pension	24,648,952	
Deferred Inflows - Pension	(20,889,413)	
Net Pension Liability	(247,601,715)	(243,842,176)
Vacation benefits payable is not expected to be paid with expendable available financial resources and therefore is not reported in the funds.		(1,341,519)
Deferred Outflows of Resources represent deferred charges on refundings which do not provide current financial resources and therefore are not reported in the funds.		16,609,168
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
General Obligation Bonds	(167,335,000)	
Premium	(26,700,564)	
Certificates of Participation	(13,135,000)	
QZAB Bonds	(10,000,000)	
Compensated Absences	(4,168,527)	
Claims Payable	(4,136,872)	
Total	(225,475,963)	(225,475,963)
Net Position of Governmental Activities		\$149,934,478

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund	Bond Retirement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property and Other Local Taxes	\$55,928,479	\$13,642,767	\$1,117,776	\$70,689,022
Intergovernmental	183,856,159	3,335,969	30,075,564	217,267,692
Investment Earnings	614,268	0	173,895	788,163
Tuition and Fees	856,717	0	0	856,717
Rent	367,155	0	0	367,155
Gifts and Donations	0	0	2,075	2,075
Customer Sales and Services	91,770	0	1,075,590	1,167,360
Extracurricular Activities	168,693	0	561,474	730,167
Miscellaneous	2,097,729	71,671	122,025	2,291,425
Total Revenues	243,980,970	17,050,407	33,128,399	294,159,776
Expenditures:				
Current:				
Instruction:				
Regular	120,474,923	0	4,047,559	124,522,482
Special	27,438,546	0	6,995,590	34,434,136
Vocational	2,344,772	0	389,955	2,734,727
Student Intervention Services	26,773	0	0	26,773
Support Services:				
Pupils	11,478,377	0	1,455,704	12,934,081
Instructional Staff	2,347,473	0	6,190,895	8,538,368
Board of Education	1,096,913	0	0	1,096,913
Administration	11,856,789	0	513,968	12,370,757
Fiscal	3,689,194	309,917	452,607	4,451,718
Business	1,970,601	0	0	1,970,601
Operation and Maintenance of Plant	17,432,133	0	1,465,322	18,897,455
Pupil Transportation	13,334,837	0	580,113	13,914,950
Central	10,472,321	0	138,649	10,610,970
Operation of Non-Instructional Services	0	0	11,154,107	11,154,107
Extracurricular Activities	1,489,045	0	425,712	1,914,757
Debt Service:				
Principal Retirement	0	8,765,000	1,180,000	9,945,000
Interest and Fiscal Charges	0	7,856,556	669,116	8,525,672
Total Expenditures	225,452,697	16,931,473	35,659,297	278,043,467
Excess of Revenues (Over) Expenditures	18,528,273	118,934	(2,530,898)	16,116,309
Other Financing Sources (Uses):				
Transfers In	0	0	373,348	373,348
Transfers Out	0	0	(373,348)	(373,348)
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	18,528,273	118,934	(2,530,898)	16,116,309
Fund Balance at Beginning of Year	4,347,327	2,727,977	49,443,797	56,519,101
Fund Balance at End of Year	\$22,875,600	\$2,846,911	\$46,912,899	\$72,635,410

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Net Change in Fund Balances - Total Governmental Funds \$16,116,309

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

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

Capital Asset Additions	306,165	
Current Year Depreciation	<u>(12,272,610)</u>	
Total		(11,966,445)

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

Delinquent Property Taxes	943,391	
State and Federal Grants	1,723,046	
Interest	<u>(130,535)</u>	
Total		2,535,902

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

Accrued Interest	47,955	
Amortization of Premium on Bonds	2,270,754	
Amortization of Premium on Certificate of Participation	36,963	
Amortization of Deferred Charge on Refunding	<u>(1,093,128)</u>	
Total		1,262,544

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

General Obligation Bond Principal Payments	9,360,000	
Refunding Certificate of Participation Principal Payments	<u>585,000</u>	
Total		9,945,000

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Compensated Absences Payable	113,728	
Claims Payable	772,201	
Vacation Payable	<u>5,563</u>	
Total		891,492

(continued)

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
Continued

Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.		15,282,949
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the Statement of Activities.		(10,908,460)
The internal service fund used by management to charge the costs of insurance to individual funds are not reported in the district-wide Statement of Activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund are allocated among the governmental activities.		
Change in Net Position	4,931,958	
Claims Payable	(772,201)	
Compensated Absences Payable	(126)	
Vacation Leave Payable	1,978	
	<u>4,161,609</u>	<u>4,161,609</u>
Change in Net Position of Governmental Activities		<u>\$27,320,900</u>

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property and Other Local Taxes	\$56,310,819	\$56,411,517	\$56,411,517	\$0
Intergovernmental	183,477,268	183,805,371	183,803,900	(1,471)
Investment Earnings	448,897	449,700	449,566	(134)
Tuition and Fees	856,480	858,012	857,940	(72)
Rent	366,644	367,300	367,155	(145)
Customer Sales and Services	116,791	117,000	116,986	(14)
Miscellaneous	2,075,693	2,095,605	2,095,269	(336)
Total Revenues	243,652,592	244,104,505	244,102,333	(2,172)
Expenditures:				
Current:				
Instruction:				
Regular	123,291,385	124,260,743	122,783,055	1,477,688
Special	29,939,976	29,318,547	27,866,550	1,451,997
Vocational	2,740,524	2,833,220	2,511,465	321,755
Student Intervention Services	29,920	29,920	26,773	3,147
Other	900,000	1,074,712	925,053	149,659
Support Services:				
Pupils	13,514,030	13,820,294	11,667,669	2,152,625
Instructional Staff	2,562,813	2,830,924	2,437,210	393,714
Board of Education	1,103,517	1,356,383	885,639	470,744
Administration	12,549,890	13,751,874	11,971,429	1,780,445
Fiscal	5,646,361	5,374,168	3,754,387	1,619,781
Business	1,938,632	2,327,795	2,171,795	156,000
Operation and Maintenance of Plant	20,093,357	20,959,098	17,638,683	3,320,415
Pupil Transportation	16,011,167	15,412,184	13,602,161	1,810,023
Central	9,629,085	13,148,009	12,167,183	980,826
Extracurricular Activities	1,750,069	1,804,229	1,499,135	305,094
Total Expenditures	241,700,726	248,302,100	231,908,187	16,393,913
Excess of Revenues Over (Under) Expenditures	1,951,866	(4,197,595)	12,194,146	16,391,741
Other Financing Sources (Uses):				
Transfers In	0	0	521	521
Refund of Prior Year Expenditures	0	25,669	25,605	(64)
Advances In	0	481,000	480,771	(229)
Advances Out	(1,000,000)	(1,000,000)	(858,275)	141,725
Total Other Financing Sources (Uses)	(1,000,000)	(493,331)	(351,378)	141,953
Net Change in Fund Balance	951,866	(4,690,926)	11,842,768	16,533,694
Fund Balance at Beginning of Year	11,416,551	11,416,551	11,416,551	0
Prior Year Encumbrances Appropriated	4,395,887	4,395,887	4,395,887	0
Fund Balance at End of Year	\$16,764,304	\$11,121,512	\$27,655,206	\$16,533,694

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2016

	<u>Internal Service Funds</u>
Assets:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$27,505,992
Non-Current Assets:	
Capital Assets, Net of Accumulated Depreciation	<u>34,418</u>
Total Assets	<u>27,540,410</u>
Liabilities:	
Current Liabilities:	
Accounts Payable	66,837
Accrued Wages and Benefits Payable	5,628
Intergovernmental Payable	4,277
Accrued Vacation Leave Payable	7,982
Claims Payable	3,464,397
Compensated Absences Payable	<u>1,241</u>
Total Current Liabilities	<u>3,550,362</u>
Non-Current Liabilities:	
Claims Payable	672,475
Compensated Absences Payable	<u>9,641</u>
Total Non-Current Liabilities	<u>682,116</u>
Total Liabilities	<u>4,232,478</u>
Net Position:	
Investment in Capital Assets	34,418
Unrestricted	<u>23,273,514</u>
Total Net Position	<u><u>\$23,307,932</u></u>

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Internal Service Funds
Operating Revenues:	
Charges for Services	\$25,495,388
Operating Expenses:	
Salaries	76,740
Fringe Benefits	35,199
Purchased Services	2,409,871
Claims	18,028,399
Supplies and Materials	3,563
Other	9,658
Total Operating Expenses	20,563,430
Change in Net Position	4,931,958
Net Position at Beginning of Year	18,375,974
Net Position at End of Year	\$23,307,932

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Internal Service Funds</u>
Increase (Decrease) in Cash and Cash Equivalents:	
Cash Flows from Operating Activities:	
Cash Received from Interfund Services Provided	\$25,495,388
Cash Payments to Suppliers for Goods	(2,391,964)
Cash Payments to Employees for Services and Benefits	(101,216)
Cash Payments for Claims	<u>(18,800,600)</u>
Net Increase in Cash and Cash Equivalents	4,201,608
Cash and Cash Equivalents Beginning of Year	<u>23,304,384</u>
Cash and Cash Equivalents End of Year	<u><u>\$27,505,992</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$4,931,958
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Increase in Accounts Payable	45,274
Decrease in Accrued Wages and Benefits Payable	(5,270)
Decrease in Intergovernmental Payable	(5)
Increase in Accrued Vacation Leave Payable	1,978
Decrease in Claims Payable	(772,201)
Decrease in Compensated Absences Payable	<u>(126)</u>
Net Cash Provided by Operating Activities	<u><u>\$4,201,608</u></u>

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	Private Purpose Trust Fund	Agency Fund
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$4,381	\$373,386
Liabilities:		
Undistributed Monies		\$172,736
Due to Students		200,650
		\$373,386
Net Position:		
Held in Trust for Scholarships	\$4,381	

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2016

	Private Purpose Trust Fund
Additions:	
Miscellaneous	\$29,636
Deductions:	
Payments in Accordance with Trust Agreements	50,979
Change in Net Position	(21,343)
Net Position Beginning of Year	25,724
Net Position End of Year	\$4,381

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 1 - Description of the School District and Reporting Entity

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

The School District is the twelfth largest in the State of Ohio (among 609 school districts) in terms of enrollment. It is staffed by 1,042 certificated employees and 1,020 classified employees who provide services to 13,721 students.

Reporting Entity

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

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

The following activities are included within the reporting entity:

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

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Fund Accounting

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

Governmental Funds

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

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

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

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

Proprietary Funds

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

Internal Service Funds

Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District has three internal service funds: one to account for the operation of the central warehouse and distribution facility; another accounts for the self-insurance program, which provides medical benefits to employees; and a third account for monies collected for workers' compensation payments under the retrospective rating plan.

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Fiduciary Funds

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

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

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

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Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported in the government-wide Statement of Net Position for deferred charges on refunding and for pension. A deferred charge on refunding results from the difference in the carrying value of refunded

**DAYTON CITY SCHOOL DISTRICT
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 11.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property and other local taxes, pension, and unavailable revenue. Property and other local taxes represent amounts for which there is an enforceable legal claim as of June 30, 2016, but which were levied to finance fiscal year 2017 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables that will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide Statement of Net Position. (See Note 11)

Expenses/Expenditures

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

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

Pension

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

Cash and Cash Equivalents

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

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The School District utilizes a fiscal agent to handle money set aside in the Educational Foundation special revenue fund and money restricted for the retirement of QZAB bonds in the Classroom Facilities Permanent Improvement Capital Projects Fund.

During fiscal year 2016, the School District's investments were limited to Money Market Mutual Funds, Federal Farm Credit Bank Notes, Federal Home Loan Bank Bonds, Federal Home Loan Mortgage Corporation Notes, Federal National Mortgage Notes, US Treasury Notes, Commercial paper and Negotiable Certificates of Deposits. Investments, except for commercial paper, is reported at fair value which is based on quoted market prices. For investments in open-ended mutual funds, the fair value is determined by the fund's current share price. The School District's commercial paper is measured at amortized cost as it is highly liquid debt instrument with a remaining maturity at the time of the purchase of less than one year.

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of investment earnings. Interest credited to the General Fund during fiscal year 2016 amounted to \$614,268, which includes \$416,921 assigned from other School District funds.

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

Interfund Balances

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

Capital Assets

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

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 acquisition values as of the date received. The School District maintains a capitalization threshold of \$5,000 for furniture, fixtures and equipment, and vehicles. For construction in progress, land improvements, and building improvements, the School District maintains a capitalization threshold of \$50,000. There is no

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capitalization threshold for land and buildings, therefore all land and buildings are capitalized. 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:

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

Compensated Absences

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

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

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

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

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

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Accrued Liabilities and Long-Term Obligations

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

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

Fund Balances

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

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

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

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

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

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that authority by resolution or by State statute. State statute authorizes the Treasurer to assign fund balance purchases on order provided such amounts have been lawfully appropriated. The Treasurer assigned fund balance to cover a gap between estimated revenue and appropriations in the 2017 appropriated budget.

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

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

Net Position

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

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

Internal Activity

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

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

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

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Budgetary Process

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

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

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

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

Bond Premiums

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

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

Estimates

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

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Operating Revenues and Expenses

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

Note 3 – Change in Accounting Principles

For fiscal year 2016, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 72, "Fair Value Measurement and Application," GASB Statement No 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.", "Fair Value Measurement and Application," GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments," GASB Statement No. 79, "Certain External Investment Pools and Pool Participants," and GASB Statement No. 82, "Pension Issues an Amendment of GASB Statements No. 67, No. 68 and No. 73."

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes for applying fair value to certain investments and disclosures related to all fair value measurements. These changes were incorporated in the School District's fiscal year 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68. The implementation of this GASB pronouncement did not result in any changes to the School District's financial statements.

GASB Statement No. 76 identifies-in the context of the current governmental financial reporting environment-the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles. The implementation of this GASB pronouncement did not result in any changes to the School District's financial statements.

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their

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investments at amortized cost. This Statement provides accounting and financial reporting guidance also establishes additional note disclosure requirements for governments that participate in those pools. The School District incorporated the corresponding GASB 79 guidance into their fiscal year 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the School District’s fiscal year 2016 financial statements; however, there was no effect on beginning net position/fund balance.

Note 4 – Accountability

At June 30, 2016, the following funds had a deficit fund balance:

Funds	Amounts
Special Revenue:	
Alternative Schools	\$76
Vocational Education	7,381
Title I School Improvement Stimulus A	18,990
Drop Out Prevention and Intervention	330
Title I	23,294
Total	\$50,071

The deficits in all fund balances were due to accruals in GAAP. The General Fund is liable for any deficit in these funds and will provide transfers when cash is required not when accruals occur.

Note 5 - Budgetary Basis of Accounting

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a restricted, committed, or assigned fund balance (GAAP basis).

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4. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Investments are recorded at fair value (GAAP basis) rather than cost (budget basis).
6. Budgetary revenues and expenditures of the uniform school supplies, other grant rotary, and public school support funds are classified to General Fund for GAAP reporting.

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

Net Change in Fund Balance	
GAAP Basis	\$18,528,273
Adjustments:	
Revenue Accruals	440,878
Expenditure Accruals	(1,242,066)
Advances	(377,504)
Change in Fair Market Value FY 2016	(141,432)
Change in Fair Market Value FY 2015	20,513
Transfers	521
Encumbrances	(5,436,717)
Excess of revenues, and other financing sources over/(under) expenditures and other financing uses:	
Uniform School Supplies	1,956
Other Grant Rotary	(6,090)
Public School Support	54,436
Budget Basis	\$11,842,768

Note 6 - Deposits and Investments

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

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

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

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

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

1. United States Treasury 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 securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio and, with certain limitations, bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided in the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked daily, and the term of the agreement must not exceed thirty days.

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

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Custodial credit risk for deposits is the risk that in the event of bank failure, the School District not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, \$407,902 of the School District's deposits in Bank of America was exposed to custodial credit risk because it was uninsured and uncollateralized with securities held by the pledging financial institution. Also, the Bank of America is not an authorized public depository in the State of Ohio.

Investments: As of June 30, 2016, the School District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	S&P/ Moody's Rating	Concentration of Credit Risk
Fair Value:				
Dayton Foundation	\$786,640	Less Than One Year	N/A	N/A
Money Market Mutual Funds	19,794,232	Less Than One Year	AAAm	33.15%
Federal Farm Credit Bank Notes	4,145,801	Less Than Three Years	Aaa	6.94%
Federal Home Loan Bank Bonds	5,994,117	Less Than Five Years	Aaa	10.04%
Federal Home Loan Mortgage Corporation Notes	5,712,614	Less Than Five Years	Aaa	9.57%
Federal National Mortgage Notes	11,425,311	Less Than Five Years	Aaa	19.13%
US Treasury Notes	5,329,273	Less Than Three Years	N/A	8.92%
Negotiable Certificates of Deposit	4,530,885	Less Than Five Years	N/A	7.59%
Amortized Cost:				
Commercial Paper	1,998,815	Less Than One Year	N/A	N/A
Total Investments	<u>\$59,717,688</u>			

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the School District's recurring fair value measurements as of June 30, 2016. All of the School District's investments measured at fair value are valued using quoted market prices (Level 1 inputs).

Interest Rate Risk

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

Credit Risk

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

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Custodial Credit Risk

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

Concentration of Credit Risk

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

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2016 represents collections of calendar year 2015 taxes. Real property taxes received in calendar year 2016 were levied after April 1, 2015, on the assessed value listed as of January 1, 2015, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2016 represents collections of calendar year 2015 taxes. Public utility real and tangible personal property taxes received in calendar year 2016 became a lien December 31, 2014, were levied after April 1, 2015, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Montgomery County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2016 are available to finance fiscal year 2016 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes that are measurable as of June 30, 2016 and for which there is an enforceable legal claim. Although total

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property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

The amount available as an advance at June 30, 2016 was \$4,178,347 and is recognized as revenue: \$3,264,567 in the General Fund, \$847,564 in the Bond Retirement Debt Service Fund, and \$66,216 in the Other Governmental Funds. The amount available as an advance at June 30, 2015 was \$4,724,073 and is recognized as revenue: \$3,747,605 in the General Fund, \$897,080 in the Bond Retirement Debt Service Fund, and \$79,388 in the Other Governmental Funds.

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

The assessed values upon which fiscal year 2016 taxes were collected are:

	<u>2015 Second-Half Collection</u>		<u>2016 First-Half Collection</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$1,328,401,510	93.42%	\$1,322,350,390	93.21%
Public Utility	93,576,040	6.58%	96,310,250	6.79%
Total Assessed Value	<u>\$1,421,977,550</u>	<u>100.00%</u>	<u>\$1,418,660,640</u>	<u>100.00%</u>
Tax Rate per \$1,000	\$79.85		\$81.35	

Note 8 - Receivables

Receivables at June 30, 2016 consisted of property and other local taxes, accounts, intergovernmental grants, accrued interest, and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables, except delinquent property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

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	<u>Amount</u>
<u>Governmental Activities:</u>	
<i>General Fund:</i>	
Due from Other Governments	\$52,259
<i>Nonmajor Governmental Funds</i>	
Alternative Schools State Grant	\$40,912
Public School Preschool	235,758
Special Education Part B, IDEA Grant	2,185,562
Dropout Prevention and Intervention	100,066
Title VI-R Classroom Size Reduction	2,154,858
Vocational Education	134,074
High Schools That Work	2,908
Early Childhood Special Education, IDEA Grant	62,484
Title I Grant	6,164,255
Title I School Improvement Stimulus A	509,660
Stimulus School Improvement Subsidy G	442,900
Miscellaneous Grants	35,574
Total Intergovernmental Receivables	\$12,121,270

Note 9 - Capital Assets

Capital assets activity for the year ended June 30, 2016 was as follows:

	<u>Balance</u>		<u>Balance</u>
	<u>6/30/2015</u>	<u>Additions</u>	<u>6/30/2016</u>
	<u>Deductions</u>		
<u>Governmental Activities:</u>			
Capital Assets Not Being Depreciated:			
Land	\$9,212,079	\$0	\$9,212,079
Capital Assets Being Depreciated:			
Buildings and Improvements	501,182,373	0	501,182,373
Furniture, Fixtures, and Equipment	18,206,517	86,675	18,293,192
Vehicles	19,418,856	219,490	19,638,346
Total Capital Assets Being Depreciated	538,807,746	306,165	539,113,911

(continued)

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	Balance 6/30/2015	Additions	Deductions	Balance 6/30/2016
<u>Governmental Activities:</u>				
Less Accumulated Depreciation:				
Buildings and Improvements	(67,199,190)	(10,183,860)	0	(77,383,050)
Furniture, Fixtures, and Equipment	(10,840,315)	(1,155,201)	0	(11,995,516)
Vehicles	(15,604,893)	(933,549)	0	(16,538,442)
Total Accumulated Depreciation	(93,644,398)	(12,272,610) *	0	(105,917,008)
Capital Assets Being Depreciated, Net	445,163,348	(11,966,445)	0	433,196,903
Governmental Activities Capital Assets, Net	\$454,375,427	(\$11,966,445)	\$0	\$442,408,982

*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$47,830
Special	176,103
Vocational	355,938
Support Services:	
Pupils	3,948
Instructional Staff	101,624
Business	16,618
Operation and Maintenance of Plant	62,339
Pupil Transportation	914,345
Central	306,737
Operation of Non-Instructional Services	91,247
Extracurricular Activities	12,021
	<u>2,088,750</u>
Unallocated Depreciation	10,183,860
Total Depreciation Expense	<u>\$12,272,610</u>

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

Note 10 - Risk Management

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For the fiscal year, the School District contracted with United Educators for general liability/school leaders errors and omissions insurance with a \$5 million single occurrence limit and a \$5 million annual

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policy aggregate. Buildings and contents are covered under Westport Insurance Corporation with a \$250,000 deductible.

Electronic data processing equipment is covered under Westport Insurance Corporation with a \$5,000 deductible; Scoreboard and Astroturf at Welcome Stadium is covered under Westport Insurance Corporation with a \$250,000 deductible.

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

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

Self-Insured Health Benefits

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

The liability for unpaid claims of \$2,533,000 reported in the Internal Service Fund at June 30, 2016 is based on the requirements of GASB Statement No. 10, “*Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*,” as amended by GASB Statement No. 30, “*Risk Management Omnibus*,” which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Estimates were calculated based upon an independent actuarial evaluation of claims payable. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claims adjustment expenses. The School District is responsible for all claims.

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

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2015	\$3,033,000	\$24,941,265	\$25,405,265	\$2,569,000
2016	2,569,000	17,678,264	17,714,264	2,533,000

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Workers' Compensation

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

2016 Workers' Compensation Comparison	Individual Retrospective Rating	Group Retrospective Rating
	<u> </u>	<u> </u>
Premium Payment (Less 50% Credit)	\$276,638	\$703,371
Estimated Claims Cost (Over 10 Years)	742,577	0
Estimated Rebate at 20%	<u>0</u>	<u>(254,986)</u>
Estimated Net Premium	<u><u>\$1,019,215</u></u>	<u><u>\$448,385</u></u>
Premium Payment	\$2,549,856	\$703,371
BWC Assessments	131,813	0
Maximum Group Retro Assessment at 15%	<u>0</u>	<u>191,239</u>
Maximum Risk Exposure	<u><u>\$2,681,669</u></u>	<u><u>\$894,610</u></u>

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

The following table summarizes claims payable during the fiscal year:

	Balance at <u>Beginning of Year</u>	Current Year <u>Claims</u>	Claim <u>Payments</u>	Balance at <u>End of Year</u>
2015	\$3,107,588	\$500,843	\$1,268,358	\$2,340,073
2016	2,340,073	350,135	1,086,336	1,603,872

Note 11 - Defined Benefit Pension Plans

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2016, the allocation to pension, death benefits, and Medicare B was 14 percent. No allocation was made to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$5,439,807 for fiscal year 2016. Of this amount \$793,117 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS’ fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

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The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five year of service on August 1, 2026.

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 11 percent of the 12 percent member rate goes to the DC Plan and 1 percent goes to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended

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June 30, 2016, plan members were required to contribute 13 percent of their annual covered salary. Effective July 1, 2016, the statutory maximum employee contribution rate was increased one percent to 14 percent. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2016 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$9,843,142 for fiscal year 2016. Of this amount \$1,733,736 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability			
Prior Measurement Date	1.15324200%	0.68206506%	
Proportion of the Net Pension Liability			
Current Measurement Date	<u>1.14207510%</u>	<u>0.66010532%</u>	
Change in Proportionate Share	<u>-0.01116690%</u>	<u>-0.02195974%</u>	
Proportionate Share of the Net			
Pension Liability	\$65,167,913	\$182,433,802	\$247,601,715
Pension Expense	\$3,984,277	\$6,924,183	\$10,908,460

At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$1,049,324	\$8,316,679	\$9,366,003
School District contributions subsequent to the measurement date	<u>5,439,807</u>	<u>9,843,142</u>	<u>15,282,949</u>
Total Deferred Outflows of Resources	<u>\$6,489,131</u>	<u>\$18,159,821</u>	<u>\$24,648,952</u>

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	SERS	STRS	Total
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$2,159,225	\$13,120,439	\$15,279,664
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	458,333	5,151,416	5,609,749
Total Deferred Inflows of Resources	\$2,617,558	\$18,271,855	\$20,889,413

\$15,282,949 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2017	(\$930,561)	(\$4,248,703)	(\$5,179,264)
2018	(930,561)	(4,248,703)	(5,179,264)
2019	(935,530)	(4,248,703)	(5,184,233)
2020	1,228,418	2,790,933	4,019,351
Total	(\$1,568,234)	(\$9,955,176)	(\$11,523,410)

Actuarial Assumptions - SERS

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

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

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

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Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2015, are presented below:

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

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

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

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalanced uncorrelated asset classes.

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

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

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For the Fiscal Year Ended June 30, 2016

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$90,364,477	\$65,167,913	\$43,950,328

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Actuarial assumptions used in the June 30, 2015, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

STRS' investment consultant develops best estimates for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Nominal Rate of Return *</u>
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	<u>100.00 %</u>	

* 10 year annualized geometric nominal returns include the real rate of return and inflation of 2.5 percent.

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2015. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2015. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2015.

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

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
School District's proportionate share of the net pension liability	\$253,414,314	\$182,433,802	\$122,409,198

Note 12 - Postemployment Benefits

School Employee Retirement System

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes,

**DAYTON CITY SCHOOL DISTRICT
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Notes to the Basic Financial Statements
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this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2016, no allocation of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2016, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2016, the School District's surcharge obligation was \$311,759.

The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014, were \$311,759, \$754,093, and \$577,439, respectively. The full amount has been contributed for fiscal years 2016, 2015, and 2014.

State Teachers Retirement System of Ohio

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care

DAYTON CITY SCHOOL DISTRICT
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For the Fiscal Year Ended June 30, 2016

costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For the fiscal years ended June 30, 2016 and June 30, 2015, STRS Ohio did not allocate any employer contributions to post-employment health care. For the fiscal year ended June 30, 2014, one percent of covered payroll was allocated to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015 and 2014 were \$0, \$0 and \$746,049, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

Note 13 - Employee Benefits

Compensated Absences

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

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

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

Insurance

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

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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.

Note 14 - Long-Term Obligations

The changes in the School District's long-term obligations during fiscal year 2016 were as follows:

	Balance 6/30/2015	Increase	Decrease	Balance 6/30/2016	Due within One Year
General Obligation Bonds:					
2012 Equipment Acquisition:					
2.0-3.0 percent	\$2,395,000	\$0	\$275,000	\$2,120,000	\$280,000
2013 School Construction					
Refunding Bonds Series A					
1.5-5.0 percent					
Serial Bonds	80,815,000	0	8,735,000	72,080,000	8,985,000
2013 School Construction					
Refunding Bonds Series B					
2.0-3.0 percent	3,125,000	0	320,000	2,805,000	325,000
2014 School Construction and					
Improvement Unlimited Tax					
Bonds Series 2014 1.0 - 5.0 percent	90,360,000	0	30,000	90,330,000	220,000
Add: Unamortized Bond Premium	28,496,960	0	2,270,754	26,226,206	0
Total General Obligation Bonds	\$205,191,960	\$0	\$11,630,754	\$193,561,206	\$9,810,000
Other Long-Term Liabilities:					
QZAB Bonds - 0.0 percent	10,000,000	0	0	10,000,000	0
Refunded Certificates of Participation	13,720,000	0	585,000	13,135,000	630,000
Add: Unamortized Note Premium	511,321	0	36,963	474,358	0
Net Pension Liability					
SERS	58,364,921	6,802,992	0	65,167,913	0
STRS	165,901,827	16,531,975	0	182,433,802	0
Total Net Pension Liability	224,266,748	23,334,967	0	247,601,715	0
Compensated Absences Payable	4,282,255	99,297	213,025	4,168,527	475,385
Claims Payable	4,909,073	18,028,399	18,800,600	4,136,872	3,464,397
Total Other Long-Term Liabilities	257,689,397	41,462,663	19,635,588	279,516,472	4,569,782
Long-Term Obligations	\$462,881,357	\$41,462,663	\$31,266,342	\$473,077,678	\$14,379,782

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

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

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

On October 1, 2014, the School District issued \$90,360,000 School Facilities Construction and Improvement Unlimited Tax Refunding Bonds, Series 2014. The bonds were issued for the purpose of currently refunding the \$93,450,000 School Facilities Construction and Improvement Unlimited Tax Refunding Notes.

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

Fiscal Year Ended June 30,	General Obligation Bonds		
	Principal	Interest	Total
2017	\$9,810,000	\$7,663,425	\$17,473,425
2018	10,185,000	7,232,213	17,417,213
2019	10,700,000	6,768,088	17,468,088
2020	11,135,000	6,307,050	17,442,050
2021	11,590,000	5,789,088	17,379,088
2022-2026	52,750,000	20,737,325	73,487,325
2027-2031	56,160,000	8,322,250	64,482,250
2032-2033	5,005,000	125,125	5,130,125
Total	<u>\$167,335,000</u>	<u>\$62,944,564</u>	<u>\$230,279,564</u>

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

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

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For the Fiscal Year Ended June 30, 2016

Fiscal Year Ended June 30,	Principal	Interest	Total
2017	\$630,000	\$520,625	\$1,150,625
2018	675,000	504,200	1,179,200
2019	730,000	481,300	1,211,300
2020	785,000	452,825	1,237,825
2021	850,000	420,125	1,270,125
2022-2026	5,275,000	1,527,401	6,802,401
2027-2029	4,190,000	258,400	4,448,400
Total	<u>\$13,135,000</u>	<u>\$4,164,876</u>	<u>\$17,299,876</u>

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

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

Due to the magnitude of the school facilities construction project, the debt issued by the School District exceeded the overall debt margin as permitted by Ohio statute. However, the School District was declared a "special needs" school district, as defined by Section 133.06 of the Ohio Revised Code, by the Superintendent of Public Instruction. Under this special exemption, the School District's capacity for additional debt is approximately \$25.7 million.

Note 15 - Interfund Activity

As of June 30, 2016, the General Fund had an interfund receivable of \$1,153,842, while the nonmajor governmental funds had interfund payables of \$1,153,842.

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

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The \$373,348 transfer between nonmajor funds was due to the Ohio School Facilities Construction project having been completed. Unspent monies were transferred to the Permanent Improvement Fund in accordance with provisions administered by the Ohio School Facilities Commission. The transfer was approved by the Board of Education.

Note 16 - Set-Aside Calculations

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

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

	Capital Acquisitions
Set Aside Balance as of June 30, 2015	\$0
Current Fiscal Year Set-aside Requirement	2,327,758
Current Fiscal Year Revenue Off-Sets	(2,327,758)
Subtotal	\$0
Set Aside Balance as of June 30, 2016	\$0

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

Note 17 – Significant Commitments

Encumbrances

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

General Fund	\$5,556,462
Nonmajor Funds	4,565,575
Total	\$10,122,037

DAYTON CITY SCHOOL DISTRICT
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 18 – Fund Balances

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

Fund Balances	General Fund	Bond Retirement Fund	Nonmajor Governmental Funds	Total
<i>Nonspendable</i>				
Unclaimed Monies	\$255,012	\$0	\$0	\$255,012
<i>Restricted for</i>				
Debt Service	0	2,846,911	0	2,846,911
Permanent Improvements	0	0	20,200,450	20,200,450
Classroom Facilities Programs	0	0	9,986,693	9,986,693
Food Service Operations	0	0	9,817,552	9,817,552
Special Trust	0	0	202,875	202,875
District Managed Student Activities	0	0	107,075	107,075
Maintenance of Classroom Facilities	0	0	5,091,837	5,091,837
State and Federal Grants	0	0	1,556,488	1,556,488
<i>Total Restricted</i>	<u>0</u>	<u>2,846,911</u>	<u>46,962,970</u>	<u>49,809,881</u>
<i>Assigned to</i>				
Purchases On Order:				
Professional/Technical Services	1,467,702	0	0	1,467,702
Property Services	223,908	0	0	223,908
Communications/Utilities	78,965	0	0	78,965
Pupil Transportation	19,035	0	0	19,035
General Supplies	289,503	0	0	289,503
Library/Textbooks	266,405	0	0	266,405
Capital Improvements	1,958,929	0	0	1,958,929
Dues/Fees/Awards/Prizes	47,609	0	0	47,609
Other Purchases on Order	70,903	0	0	70,903
Future Appropriations	427,831	0	0	427,831
Debt Service	0	0	0	0
Unpaid Obligations	0	0	0	0
<i>Total Assigned</i>	<u>4,850,790</u>	<u>0</u>	<u>0</u>	<u>4,850,790</u>
<i>Unassigned (Deficit)</i>	<u>17,769,798</u>	<u>0</u>	<u>(50,071)</u>	<u>17,719,727</u>
<i>Total Fund Balances</i>	<u>\$22,875,600</u>	<u>\$2,846,911</u>	<u>\$46,912,899</u>	<u>\$72,635,410</u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 19 - Contingencies

Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2016, if applicable, cannot be determined at this time.

School Foundation

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2015 school year, traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2016 Foundation funding for the School District, therefore, any financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or a liability of the School District.

Litigation

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

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

	2016	2015	2014
School District's Proportion of the Net Pension Liability	1.14207510%	1.15324200%	1.15324200%
School District's Proportionate Share of the Net Pension Liability	\$65,167,913	\$58,364,921	\$68,579,600
School District's Covered-Employee Payroll	\$34,818,629	\$34,187,458	\$32,957,366
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	187.16%	170.72%	208.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.16%	71.70%	65.52%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

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

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

	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.66010532%	0.68206506%	0.68206506%
School District's Proportionate Share of the Net Pension Liability	\$182,433,802	\$165,901,827	\$197,621,172
School District's Covered-Employee Payroll	\$68,088,093	\$69,673,843	\$71,077,531
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	267.94%	238.11%	278.04%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.10%	74.70%	69.30%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$5,439,807	\$4,589,095	\$4,738,382	\$4,561,300
Contributions in Relation to the Contractually Required Contribution	<u>(5,439,807)</u>	<u>(4,589,095)</u>	<u>(4,738,382)</u>	<u>(4,561,300)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll	\$38,855,764	\$34,818,629	\$34,187,458	\$32,957,366
Contributions as a Percentage of Covered-Employee Payroll	14.00%	13.18%	13.86%	13.84%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$4,611,327	\$3,905,320	\$6,186,558	\$3,297,255	\$2,951,749	\$5,044,185
<u>(4,611,327)</u>	<u>(3,905,320)</u>	<u>(6,186,558)</u>	<u>(3,297,255)</u>	<u>(2,951,749)</u>	<u>(5,044,185)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$34,284,961	\$31,068,577	\$45,690,978	\$33,508,691	\$30,058,548	\$47,230,197
13.45%	12.57%	13.54%	9.84%	9.82%	10.68%

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$9,843,142	\$9,532,333	\$9,057,600	\$9,240,079
Contributions in Relation to the Contractually Required Contribution	<u>(9,843,142)</u>	<u>(9,532,333)</u>	<u>(9,057,600)</u>	<u>(9,240,079)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll	\$70,308,157	\$68,088,093	\$69,673,843	\$71,077,531
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	13.00%	13.00%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$9,622,262	\$10,057,416	\$10,165,329	\$10,031,773	\$9,421,069	\$10,970,120
<u>(9,622,262)</u>	<u>(10,057,416)</u>	<u>(10,165,329)</u>	<u>(10,031,773)</u>	<u>(9,421,069)</u>	<u>(10,970,120)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$74,017,400	\$77,364,738	\$78,194,838	\$77,167,485	\$72,469,762	\$84,385,538
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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**Combining Financial Statements and
Individual Fund Schedules**

Dayton City School District
Nonmajor Fund Descriptions

Special Revenue Funds

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

Nonmajor Special Revenue Funds

Other Grants Fund

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

Education Foundation Fund

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

Maintenance of Classroom Facilities Fund

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

District Managed Student Activities Fund

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

Auxiliary Services Fund

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

Public School Preschool Fund

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

Data Communications Fund

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

Vocational Education Enhancement Fund

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

Alternative Schools Fund

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

Dayton City School District
Nonmajor Fund Descriptions
(continued)

Miscellaneous State Grants Fund

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

Race to the Top Fund

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

Title VI-B Fund

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

Vocational Education Fund

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

Career Technical and Adult Education Fund

A fund used to account for and report grant monies restricted for providing career technical education program for existing students and adults. This fund had no cash activity during fiscal year 2016, therefore there is no budgetary statement presented.

Title I School Improvement Stimulus A Fund

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

Stimulus School Improvement Subsidy G Fund

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

Dropout Prevention and Intervention Fund

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

Title I Fund

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

EHA Preschool Grants for the Handicapped Fund

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

(continued)

Dayton City School District
Nonmajor Fund Descriptions
(continued)

Title VI-R Classroom Size Reduction Fund

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

Miscellaneous Federal Grants Fund

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

Special Trust Fund

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

Food Service Fund

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

Welcome Stadium Fund

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

Uniform School Supplies Fund

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

Other Grant Rotary Fund

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

Public School Support Fund

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

Dayton City School District
Nonmajor Fund Descriptions
(continued)

Capital Projects Funds

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

Nonmajor Capital Projects Funds

Permanent Improvement Fund

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

Building Fund

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

Classroom Facilities Fund

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

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$18,675,895	\$20,167,342	\$38,843,237
Cash and Cash Equivalents with Fiscal Agent	786,638	9,986,693	10,773,331
Receivables:			
Property and Other Local Taxes	965,566	965,566	1,931,132
Accounts	1,179	0	1,179
Intergovernmental	12,069,011	0	12,069,011
Accrued Interest	15,076	0	15,076
Total Assets	\$32,513,365	\$31,119,601	\$63,632,966
<u>Liabilities:</u>			
Accounts Payable	\$1,536,815	\$0	\$1,536,815
Accrued Wages and Benefits Payable	1,218,390	0	1,218,390
Intergovernmental Payable	575,594	0	575,594
Interfund Payable	1,153,842	0	1,153,842
Matured Compensated Absences Payable	12,969	0	12,969
Total Liabilities	4,497,610	0	4,497,610
<u>Deferred Inflows of Resources:</u>			
Property and Other Local Taxes	493,320	493,320	986,640
Unavailable Revenue	10,796,679	439,138	11,235,817
Total Deferred Inflows of Resources	11,289,999	932,458	12,222,457
<u>Fund Balances:</u>			
Restricted	16,775,827	30,187,143	46,962,970
Unassigned (Deficit)	(50,071)	0	(50,071)
Total Fund Balances	16,725,756	30,187,143	46,912,899
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$32,513,365	\$31,119,601	\$63,632,966

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Property and Other Local Taxes	\$558,888	\$558,888	\$1,117,776
Intergovernmental	29,827,363	248,201	30,075,564
Investment Earnings	123,095	50,800	173,895
Gifts and Donations	2,075	0	2,075
Customer Sales and Services	1,075,590	0	1,075,590
Extracurricular Activities	561,474	0	561,474
Miscellaneous	122,005	20	122,025
Total Revenues	32,270,490	857,909	33,128,399
Expenditures:			
Current:			
Instruction:			
Regular	4,047,559	0	4,047,559
Special	6,995,590	0	6,995,590
Vocational	389,955	0	389,955
Support Services:			
Pupils	1,455,704	0	1,455,704
Instructional Staff	6,190,895	0	6,190,895
Administration	513,968	0	513,968
Fiscal	444,131	8,476	452,607
Operation and Maintenance of Plant	1,443,477	21,845	1,465,322
Pupil Transportation	148,718	431,395	580,113
Central	138,649	0	138,649
Operation of Non-Instructional Services	11,154,107	0	11,154,107
Extracurricular Activities	425,712	0	425,712
Debt Service:			
Principal Retirement	0	1,180,000	1,180,000
Interest and Fiscal Charges	0	669,116	669,116
Total Expenditures	33,348,465	2,310,832	35,659,297
Excess of Revenues Under Expenditures	(1,077,975)	(1,452,923)	(2,530,898)
Other Financing Sources (Uses):			
Transfers In	0	373,348	373,348
Transfers Out	0	(373,348)	(373,348)
Total Other Financing Sources (Uses):	0	0	0
Net Change in Fund Balance	(1,077,975)	(1,452,923)	(2,530,898)
Fund Balance at Beginning of Year	17,803,731	31,640,066	49,443,797
Fund Balance at End of Year	\$16,725,756	\$30,187,143	\$46,912,899

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2016

	Other Grants Fund	Education Foundation Fund	Maintenance of Classroom Facilities Fund	District Managed Student Activities Fund
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$228,712	\$0	\$5,715,714	\$107,120
Cash and Cash Equivalents with Fiscal Agent	0	786,638	0	0
<u>Receivables:</u>				
Property and Other Local Taxes	0	0	965,566	0
Accounts	0	0	0	325
Intergovernmental	0	0	0	0
Accrued Interest	0	0	0	0
Total Assets	\$228,712	\$786,638	\$6,681,280	\$107,445
<u>Liabilities:</u>				
Accounts Payable	\$1,433	\$0	\$656,985	\$370
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Interfund Payable	0	200,000	0	0
Matured Compensated Absences Payable	0	0	0	0
Total Liabilities	1,433	200,000	656,985	370
<u>Deferred Inflows of Resources:</u>				
Property and Other Local Taxes	0	0	493,320	0
Unavailable Revenue	0	0	439,138	0
Total Deferred Inflows of Resources	0	0	932,458	0
<u>Fund Balances:</u>				
Restricted	227,279	586,638	5,091,837	107,075
Unassigned (Deficit)	0	0	0	0
Total Fund Balances (Deficit)	227,279	586,638	5,091,837	107,075
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$228,712	\$786,638	\$6,681,280	\$107,445

Auxiliary Services Fund	Public School Preschool Fund	Data Communications Fund	Vocational Education Enhancement Fund	Alternative Schools Fund	Miscellaneous State Grants Fund
\$722,419	\$165,154	\$28,184	\$2,819	\$3,304	\$33,256
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	235,758	0	2,908	40,912	0
879	0	0	0	0	0
<u>\$723,298</u>	<u>\$400,912</u>	<u>\$28,184</u>	<u>\$5,727</u>	<u>\$44,216</u>	<u>\$33,256</u>
\$173,241	\$116,800	\$23,500	\$818	\$0	\$0
22,335	0	0	0	0	0
5,733	0	0	0	63	0
0	150,517	0	2,820	4,750	0
0	0	0	0	0	0
<u>201,309</u>	<u>267,317</u>	<u>23,500</u>	<u>3,638</u>	<u>4,813</u>	<u>0</u>
0	0	0	0	0	0
0	111,488	0	2,089	39,479	0
0	111,488	0	2,089	39,479	0
521,989	22,107	4,684	0	0	33,256
0	0	0	0	(76)	0
<u>521,989</u>	<u>22,107</u>	<u>4,684</u>	<u>0</u>	<u>(76)</u>	<u>33,256</u>
<u>\$723,298</u>	<u>\$400,912</u>	<u>\$28,184</u>	<u>\$5,727</u>	<u>\$44,216</u>	<u>\$33,256</u>

(continued)

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2016
 (Continued)

	Race To The Top Fund	Title VI-B Fund	Vocational Education Fund	Title I School Improvement Stimulus A Fund
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$2,179	\$337,759	\$25,797	\$46,437
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
<u>Receivables:</u>				
Property and Other Local Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	2,185,562	134,074	509,660
Accrued Interest	0	0	0	0
Total Assets	\$2,179	\$2,523,321	\$159,871	\$556,097
<u>Liabilities:</u>				
Accounts Payable	\$0	\$48,903	\$4,913	\$0
Accrued Wages and Benefits Payable	0	205,561	22,497	130,775
Intergovernmental Payable	561	82,096	5,427	36,351
Interfund Payable	0	182,848	31,210	0
Matured Compensated Absences Payable	0	0	0	0
Total Liabilities	561	519,408	64,047	167,126
<u>Deferred Inflows of Resources:</u>				
Property and Other Local Taxes	0	0	0	0
Unavailable Revenue	0	2,002,744	103,205	407,961
Total Deferred Inflows of Resources	0	2,002,744	103,205	407,961
<u>Fund Balances:</u>				
Restricted	1,618	1,169	0	0
Unassigned (Deficit)	0	0	(7,381)	(18,990)
Total Fund Balances (Deficit)	1,618	1,169	(7,381)	(18,990)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$2,179	\$2,523,321	\$159,871	\$556,097

Stimulus School Improvement Subsidy G Fund	Dropout Prevention and Intervention Fund	Title I Fund	EHA Preschool Grants for the Handicapped Fund	Title VI-R Classroom Size Reduction Fund	Miscellaneous Federal Grants Fund
\$21,396	\$9,075	\$406,407	\$4,573	\$0	\$27,023
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
442,900	100,066	6,164,255	62,484	2,154,858	35,574
0	0	0	0	0	0
<u>\$464,296</u>	<u>\$109,141</u>	<u>\$6,570,662</u>	<u>\$67,057</u>	<u>\$2,154,858</u>	<u>\$62,597</u>
\$60,360	\$12,166	\$56,496	\$0	\$300	\$641
2,806	1,218	670,268	15,567	49,669	2,125
3,409	881	238,134	5,088	28,862	1,568
130,508	29,262	289,072	0	96,142	36,713
0	0	12,930	0	0	0
<u>197,083</u>	<u>43,527</u>	<u>1,266,900</u>	<u>20,655</u>	<u>174,973</u>	<u>41,047</u>
0	0	0	0	0	0
<u>257,630</u>	<u>65,944</u>	<u>5,327,056</u>	<u>45,815</u>	<u>1,972,684</u>	<u>21,446</u>
<u>257,630</u>	<u>65,944</u>	<u>5,327,056</u>	<u>45,815</u>	<u>1,972,684</u>	<u>21,446</u>
9,583	0	0	587	7,201	104
0	(330)	(23,294)	0	0	0
<u>9,583</u>	<u>(330)</u>	<u>(23,294)</u>	<u>587</u>	<u>7,201</u>	<u>104</u>
<u>\$464,296</u>	<u>\$109,141</u>	<u>\$6,570,662</u>	<u>\$67,057</u>	<u>\$2,154,858</u>	<u>\$62,597</u>

(continued)

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2016
 (Continued)

	Special Trust Fund	Food Service Fund	Welcome Stadium Fund	Total
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$202,875	\$10,438,345	\$147,347	\$18,675,895
Cash and Cash Equivalents with Fiscal Agent	0	0	0	786,638
Receivables:				
Property and Other Local Taxes	0	0	0	965,566
Accounts	0	0	854	1,179
Intergovernmental	0	0	0	12,069,011
Accrued Interest	0	14,197	0	15,076
Total Assets	<u>\$202,875</u>	<u>\$10,452,542</u>	<u>\$148,201</u>	<u>\$32,513,365</u>
<u>Liabilities:</u>				
Accounts Payable	\$0	\$379,257	\$632	\$1,536,815
Accrued Wages and Benefits Payable	0	95,569	0	1,218,390
Intergovernmental Payable	0	160,125	7,296	575,594
Interfund Payable	0	0	0	1,153,842
Matured Compensated Absences Payable	0	39	0	12,969
Total Liabilities	<u>0</u>	<u>634,990</u>	<u>7,928</u>	<u>4,497,610</u>
<u>Deferred Inflows of Resources:</u>				
Property and Other Local Taxes	0	0	0	493,320
Unavailable Revenue	0	0	0	10,796,679
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,289,999</u>
<u>Fund Balances:</u>				
Restricted	202,875	9,817,552	140,273	16,775,827
Unassigned (Deficit)	0	0	0	(50,071)
Total Fund Balances (Deficit)	<u>202,875</u>	<u>9,817,552</u>	<u>140,273</u>	<u>16,725,756</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$202,875</u>	<u>\$10,452,542</u>	<u>\$148,201</u>	<u>\$32,513,365</u>

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DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Other Grants Fund	Education Foundation Fund	Maintenance of Classroom Facilities Fund	District Managed Student Activities Fund
Revenues:				
Property and Other Local Taxes	\$0	\$0	\$558,888	\$0
Intergovernmental	0	0	653,307	0
Investment Earnings	0	(11,028)	0	0
Gifts and Donations	1,210	865	0	0
Customer Sales and Services	0	0	0	325
Extracurricular Activities	0	0	0	191,994
Miscellaneous	43,476	0	138	0
Total Revenues	44,686	(10,163)	1,212,333	192,319
Expenditures:				
Current:				
Instruction:				
Regular	14,879	0	0	0
Special	4,995	0	0	0
Vocational	0	0	0	0
Support Services:				
Pupils	11,094	0	0	0
Instructional Staff	11,203	0	2,941,816	0
Administration	0	9,243	0	0
Fiscal	0	0	12,644	0
Operation and Maintenance of Plant	0	0	1,370,954	29,019
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	52,000	1,047	0
Extracurricular Activities	119	0	0	153,639
Total Expenditures	42,290	61,243	4,326,461	182,658
Net Change in Fund Balance	2,396	(71,406)	(3,114,128)	9,661
Fund Balance (Deficit) at Beginning of Year	224,883	658,044	8,205,965	97,414
Fund Balance (Deficit) at End of Year	\$227,279	\$586,638	\$5,091,837	\$107,075

Auxiliary Services Fund	Public School Preschool Fund	Data Communications Fund	Vocational Education Enhancement Fund	Alternative Schools Fund	Miscellaneous State Grants Fund
\$0	\$0	\$0	\$0	\$0	\$0
1,508,063	992,512	50,400	4,453	120,732	70,821
24,357	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
<u>1,532,420</u>	<u>992,512</u>	<u>50,400</u>	<u>4,453</u>	<u>120,732</u>	<u>70,821</u>
0	0	0	4,535	0	0
0	991,842	0	0	0	0
0	0	0	0	0	0
0	0	0	0	110,210	0
0	0	0	0	0	0
0	0	0	0	22,009	0
0	2,558	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	53,948	0	0	0
1,474,995	0	0	0	0	0
0	0	0	0	0	0
<u>1,474,995</u>	<u>994,400</u>	<u>53,948</u>	<u>4,535</u>	<u>132,219</u>	<u>0</u>
57,425	(1,888)	(3,548)	(82)	(11,487)	70,821
<u>464,564</u>	<u>23,995</u>	<u>8,232</u>	<u>82</u>	<u>11,411</u>	<u>(37,565)</u>
<u>\$521,989</u>	<u>\$22,107</u>	<u>\$4,684</u>	<u>\$0</u>	<u>(\$76)</u>	<u>\$33,256</u>

(continued)

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

	Race to the Top Fund	Title VI-B Fund	Vocational Education Fund	Career Technical & Adult Education Fund
Revenues:				
Property and Other Local Taxes	\$0	\$0	\$0	\$0
Intergovernmental	0	3,865,426	587,110	464
Investment Earnings	0	0	0	0
Gifts and Donations	0	0	0	0
Customer Sales and Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Miscellaneous	0	0	0	0
Total Revenues	0	3,865,426	587,110	464
Expenditures:				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	1,596,477	0	0
Vocational	0	0	389,955	0
Support Services:				
Pupils	0	1,133,189	47,810	0
Instructional Staff	185,441	842,036	37,858	0
Administration	0	56,178	27,451	0
Fiscal	0	88,095	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	84,701	0
Operation of Non-Instructional Services	0	198,385	0	0
Extracurricular Activities	0	0	0	0
Total Expenditures	185,441	3,914,360	587,775	0
Net Change in Fund Balance	(185,441)	(48,934)	(665)	464
Fund Balance (Deficit) at Beginning of Year	187,059	50,103	(6,716)	(464)
Fund Balance (Deficit) at End of Year	\$1,618	\$1,169	(\$7,381)	\$0

Title I School Improvement Stimulus A Fund	Stimulus School Improvement Subsidy G Fund	Dropout Prevention and Intervention Fund	Title I Fund	EHA Preschool Grants for the Handicapped Fund	Title VI-R Classroom Size Reduction Fund
\$0	\$0	\$0	\$0	\$0	\$0
1,172,119	729,045	146,719	8,632,158	154,538	831,256
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>1,172,119</u>	<u>729,045</u>	<u>146,719</u>	<u>8,632,158</u>	<u>154,538</u>	<u>831,256</u>
1,150,875	0	0	2,874,232	0	3,038
0	326,974	28,971	3,719,450	150,649	0
0	0	0	0	0	0
0	25,466	5,491	78,476	0	0
14,518	369,999	91,037	947,569	2,314	745,771
0	0	0	399,087	0	0
0	7,211	3,676	270,617	3,170	51,488
0	0	0	0	0	0
0	0	385	140,415	0	0
0	0	0	0	0	0
0	0	13,894	675,255	0	17,827
0	0	0	0	0	0
<u>1,165,393</u>	<u>729,650</u>	<u>143,454</u>	<u>9,105,101</u>	<u>156,133</u>	<u>818,124</u>
6,726	(605)	3,265	(472,943)	(1,595)	13,132
<u>(25,716)</u>	<u>10,188</u>	<u>(3,595)</u>	<u>449,649</u>	<u>2,182</u>	<u>(5,931)</u>
<u>(\$18,990)</u>	<u>\$9,583</u>	<u>(\$330)</u>	<u>(\$23,294)</u>	<u>\$587</u>	<u>\$7,201</u>

(continued)

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

	Miscellaneous Federal Grants Fund	Special Trust Fund	Food Service Fund	Welcome Stadium Fund	Total
Revenues:					
Property and Other Local Taxes	\$0	\$0	\$0	\$0	\$558,888
Intergovernmental	231,689	0	10,076,551	0	29,827,363
Investment Earnings	0	0	109,766	0	123,095
Gifts and Donations	0	0	0	0	2,075
Customer Sales and Services	0	0	1,075,265	0	1,075,590
Extracurricular Activities	0	0	20	369,460	561,474
Miscellaneous	0	0	78,391	0	122,005
Total Revenues	231,689	0	11,339,993	369,460	32,270,490
Expenditures:					
Current:					
Instruction:					
Regular	0	0	0	0	4,047,559
Special	176,232	0	0	0	6,995,590
Vocational	0	0	0	0	389,955
Support Services:					
Pupils	42,557	1,411	0	0	1,455,704
Instructional Staff	1,333	0	0	0	6,190,895
Administration	0	0	0	0	513,968
Fiscal	4,672	0	0	0	444,131
Operation and Maintenance of Plant	0	0	1,348	42,156	1,443,477
Pupil Transportation	7,918	0	0	0	148,718
Central	0	0	0	0	138,649
Operation of Non-Instructional Services	0	0	8,720,704	0	11,154,107
Extracurricular Activities	0	0	0	271,954	425,712
Total Expenditures	232,712	1,411	8,722,052	314,110	33,348,465
Net Change in Fund Balance	(1,023)	(1,411)	2,617,941	55,350	(1,077,975)
Fund Balance (Deficit) at Beginning of Year	1,127	204,286	7,199,611	84,923	17,803,731
Fund Balance (Deficit) at End of Year	\$104	\$202,875	\$9,817,552	\$140,273	\$16,725,756

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DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2016

	<u>Permanent Improvement Fund</u>	<u>Classroom Facilities Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$20,167,342	\$0	\$20,167,342
Cash and Cash Equivalents with Fiscal Agents	0	9,986,693	9,986,693
<u>Receivables:</u>			
Property and Other Local Taxes	965,566	0	965,566
 Total Assets	 <u>\$21,132,908</u>	 <u>\$9,986,693</u>	 <u>\$31,119,601</u>
 <u>Liabilities:</u>	 \$0	 \$0	 \$0
 <u>Deferred Inflows of Resources:</u>			
Property and Other Local Taxes	493,320	0	493,320
Unavailable Revenue	439,138	0	439,138
 Total Deferred Inflows of Resources	 <u>932,458</u>	 <u>0</u>	 <u>932,458</u>
 <u>Fund Balances:</u>			
Restricted	20,200,450	9,986,693	30,187,143
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	 <u>\$21,132,908</u>	 <u>\$9,986,693</u>	 <u>\$31,119,601</u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Permanent Improvement Fund	Building Fund	Classroom Facilities Fund	Total Nonmajor Capital Projects Funds
Revenues:				
Property and Other Local Taxes	\$558,888	\$0	\$0	\$558,888
Intergovernmental	242,567	5,634	0	248,201
Investment Earnings	0	0	50,800	50,800
Miscellaneous	20	0	0	20
Total Revenues	801,475	5,634	50,800	857,909
Expenditures:				
Support Services:				
Fiscal	8,476	0	0	8,476
Operation and Maintenance of Plant	21,845	0	0	21,845
Pupil Transportation	431,395	0	0	431,395
Debt Service:				
Principal Retirement	1,180,000	0	0	1,180,000
Interest and Fiscal Charges	669,116	0	0	669,116
Total Expenditures	2,310,832	0	0	2,310,832
Excess of Revenues Over (Under) Expenditures	(1,509,357)	5,634	50,800	(1,452,923)
Other Financing Sources (Uses):				
Transfers In	373,348	0	0	373,348
Transfers Out	0	(321,070)	(52,278)	(373,348)
Total Other Financing Sources (Uses)	373,348	(321,070)	(52,278)	0
Net Change in Fund Balance	(1,136,009)	(315,436)	(1,478)	(1,452,923)
Fund Balance at Beginning of Year	21,336,459	315,436	9,988,171	31,640,066
Fund Balance at End of Year	<u>\$20,200,450</u>	<u>\$0</u>	<u>\$9,986,693</u>	<u>\$30,187,143</u>

Internal Service Funds

INTERNAL SERVICE FUNDS

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

Warehouse Fund

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

Retrospective Workers' Comp Fund

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

Self-Insurance Fund

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

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMBINING STATEMENT OF FUND NET POSITION
ALL INTERNAL SERVICE FUNDS
JUNE 30, 2016

	Warehouse Fund	Retrospective Workers' Comp Fund	Self- Insurance Fund	Total
Assets:				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$88,064	\$5,887,637	\$21,530,291	\$27,505,992
Noncurrent Assets:				
Capital Assets, Net of Accumulated Depreciation	34,418	0	0	34,418
Total Assets	122,482	5,887,637	21,530,291	27,540,410
Liabilities:				
Current Liabilities:				
Accounts Payable	267	66,570	0	66,837
Accrued Wages and Benefits Payable	0	5,628	0	5,628
Intergovernmental Payable	0	4,277	0	4,277
Accrued Vacation Leave Payable	0	7,982	0	7,982
Claims Payable	0	931,397	2,533,000	3,464,397
Compensated Absences Payable	0	1,241	0	1,241
Total Current Liabilities	267	1,017,095	2,533,000	3,550,362
Non-Current Liabilities:				
Claims Payable	0	672,475	0	672,475
Compensated Absences Payable	0	9,641	0	9,641
Total Non-Current Liabilities	0	682,116	0	682,116
Total Liabilities	267	1,699,211	2,533,000	4,232,478
Net Position:				
Investment in Capital Assets	34,418	0	0	34,418
Unrestricted	87,797	4,188,426	18,997,291	23,273,514
Total Net Position	\$122,215	\$4,188,426	\$18,997,291	\$23,307,932

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Warehouse Fund	Retrospective Workers' Comp Fund	Self- Insurance Fund	Total
Operating Revenues:				
Charges for Services	\$0	\$841,669	\$24,653,719	\$25,495,388
Operating Expenses:				
Salaries	0	76,740	0	76,740
Fringe Benefits	0	35,199	0	35,199
Purchased Services	3,374	282,821	2,123,676	2,409,871
Claims	0	350,135	17,678,264	18,028,399
Supplies and Materials	3,563	0	0	3,563
Other	0	0	9,658	9,658
Total Operating Expenses	6,937	744,895	19,811,598	20,563,430
Change in Net Position	(6,937)	96,774	4,842,121	4,931,958
Net Position at Beginning of Year	129,152	4,091,652	14,155,170	18,375,974
Net Position at End of Year	<u>\$122,215</u>	<u>\$4,188,426</u>	<u>\$18,997,291</u>	<u>\$23,307,932</u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Warehouse Fund	Retrospective Workers' Comp Fund	Self-Insurance Fund	Total
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities:				
Cash Received from Interfund Services Provided	\$0	\$841,669	\$24,653,719	\$25,495,388
Cash Payments to Suppliers for Goods	(8,460)	(250,170)	(2,133,334)	(2,391,964)
Cash Payments to Employees for Services and Benefits	0	(101,216)	0	(101,216)
Cash Payments for Claims	0	(1,086,336)	(17,714,264)	(18,800,600)
Net Increase (Decrease) in Cash and Cash Equivalents	(8,460)	(596,053)	4,806,121	4,201,608
Cash and Cash Equivalents Beginning of Year	96,524	6,483,690	16,724,170	23,304,384
Cash and Cash Equivalents End of Year	<u>\$88,064</u>	<u>\$5,887,637</u>	<u>\$21,530,291</u>	<u>\$27,505,992</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	(\$6,937)	\$96,774	\$4,842,121	\$4,931,958
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Increase (Decrease) in Accounts Payable	(1,523)	46,797	0	45,274
Decrease in Accrued Wages and Benefits Payable	0	(5,270)	0	(5,270)
Decrease in Intergovernmental Payable	0	(5)	0	(5)
Increase in Accrued Vacation Leave Payable	0	1,978	0	1,978
Decrease in Claims Payable	0	(736,201)	(36,000)	(772,201)
Decrease in Compensated Absences Payable	0	(126)	0	(126)
Net Cash Provided by (Used for) Operating Activities	<u>(\$8,460)</u>	<u>(\$596,053)</u>	<u>\$4,806,121</u>	<u>\$4,201,608</u>

Fiduciary Fund

AGENCY FUND

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

OHSAA District Managed Activity Fund

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

Student Managed Activities

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

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
OHSAA District Managed Activity Fund				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$0	\$212,908	\$40,172	\$172,736
Liabilities:				
Undistributed Monies	\$0	\$212,908	\$40,172	\$172,736
Student-Managed Activities Fund				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$189,505	\$156,585	\$145,440	\$200,650
Liabilities:				
Due to Students	\$189,505	\$156,585	\$145,440	\$200,650
Total				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$189,505	\$369,493	\$185,612	\$373,386
Liabilities:				
Undistributed Monies	\$0	\$212,908	\$40,172	\$172,736
Due to Students	189,505	156,585	145,440	200,650
Total Liabilities	\$189,505	\$369,493	\$185,612	\$373,386

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BOND RETIREMENT FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Property and Other Local Taxes	\$13,692,288	\$13,692,283	(\$5)
Intergovernmental	3,336,031	3,335,969	(62)
Miscellaneous	1,671	1,671	0
Total Revenues	17,029,990	17,029,923	(67)
Expenditures:			
Current:			
Support Services:			
Fiscal	309,917	309,917	0
Debt Service:			
Principal Retirement	8,765,000	8,765,000	0
Interest and Fiscal Charges	7,856,556	7,856,556	0
Total Expenditures	16,931,473	16,931,473	0
Excess of Revenues Over Expenditures	98,517	98,450	(67)
Other Financing Sources:			
Proceeds From Sale of Capital Assets	70,000	70,000	0
Net Change in Fund Balance	168,517	168,450	(67)
Fund Balance at Beginning of Year	1,830,897	1,830,897	0
Fund Balance at End of Year	\$1,999,414	\$1,999,347	(\$67)

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
OTHER GRANTS FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Gifts and Donations	\$1,210	\$1,210	\$0
Miscellaneous	44,342	43,476	(866)
Total Revenues	<u>45,552</u>	<u>44,686</u>	<u>(866)</u>
Expenditures:			
Current:			
Instruction:			
Regular	52,651	16,589	36,062
Special	15,909	5,871	10,038
Support Services:			
Pupils	155,379	15,568	139,811
Instructional Staff	52,503	26,532	25,971
Operation and Maintenance of Plant	340	0	340
Pupil Transportation	370	0	370
Central	6,430	0	6,430
Total Expenditures	<u>283,582</u>	<u>64,560</u>	<u>219,022</u>
Net Change in Fund Balance	(238,030)	(19,874)	218,156
Fund Balance at Beginning of Year	264,436	264,436	0
Prior Year Encumbrances Appropriated	<u>1,396</u>	<u>1,396</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$27,802</u></u>	<u><u>\$245,958</u></u>	<u><u>\$218,156</u></u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MAINTENANCE OF CLASSROOM FACILITIES FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Property and Other Local Taxes	\$565,536	\$565,474	(\$62)
Intergovernmental	653,442	653,307	(135)
Miscellaneous	139	138	(1)
Total Revenues	<u>1,219,117</u>	<u>1,218,919</u>	<u>(198)</u>
Expenditures:			
Current:			
Support Services:			
Instructional Staff	3,954,124	3,885,749	68,375
Fiscal	852,000	12,644	839,356
Operation and Maintenance of Plant	1,539,324	1,516,328	22,996
Operation of Non-Instructional Services	1,047	1,047	0
Total Expenditures	<u>6,346,495</u>	<u>5,415,768</u>	<u>930,727</u>
Net Change in Fund Balance	(5,127,378)	(4,196,849)	930,529
Fund Balance at Beginning of Year	7,215,204	7,215,204	0
Prior Year Encumbrances Appropriated	<u>1,021,497</u>	<u>1,021,497</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$3,109,323</u></u>	<u><u>\$4,039,852</u></u>	<u><u>\$930,529</u></u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DISTRICT MANAGED STUDENT ACTIVITIES FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Extracurricular Activities	\$192,164	\$191,993	(\$171)
Expenditures:			
Current:			
Support Services:			
Operation and Maintenance of Plant	29,019	29,019	0
Extracurricular Activities	257,773	178,368	79,405
Total Expenditures	286,792	207,387	79,405
Net Change in Fund Balance	(94,628)	(15,394)	79,234
Fund Balance at Beginning of Year	82,738	82,738	0
Prior Year Encumbrances Appropriated	19,493	19,493	0
Fund Balance at End of Year	\$7,603	\$86,837	\$79,234

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
AUXILIARY SERVICES FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$1,508,061	\$1,508,063	\$2
Interest	23,478	23,478	0
Total Revenues	1,531,539	1,531,541	2
Expenditures:			
Current:			
Operation of Non-Instructional Services	1,984,054	1,707,346	276,708
Excess of Revenues Under Expenditures	(452,515)	(175,805)	276,710
Other Financing Uses:			
Refund of Prior Year Receipts	(199,876)	(199,876)	0
Net Change in Fund Balance	(652,391)	(375,681)	276,710
Fund Balance at Beginning of Year	246,646	246,646	0
Prior Year Encumbrances Appropriated	439,562	439,562	0
Fund Balance at End of Year	\$33,817	\$310,527	\$276,710

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PUBLIC SCHOOL PRESCHOOL FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$870,800	\$870,800	\$0
Expenditures:			
Current:			
Instruction:			
Special	1,123,544	1,123,544	0
Support Services:			
Fiscal	2,558	2,558	0
Total Expenditures	1,126,102	1,126,102	0
Excess of Revenues Under Expenditures	(255,302)	(255,302)	0
Other Financing Sources:			
Advances In	150,517	150,517	0
Net Change in Fund Balance	(104,785)	(104,785)	0
Fund Balance at Beginning of Year	21,442	21,442	0
Prior Year Encumbrances Appropriated	76,544	76,544	0
Fund Deficit at End of Year	(\$6,799)	(\$6,799)	\$0

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DATA COMMUNICATIONS FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$50,400	\$50,400	\$0
Expenditures:			
Current:			
Support Services:			
Central	102,753	102,668	85
Net Change in Fund Balance	(52,353)	(52,268)	85
Fund Balance at Beginning of Year	85	85	0
Prior Year Encumbrances Appropriated	52,268	52,268	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$85</u>	<u>\$85</u>

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
VOCATIONAL EDUCATION ENHANCEMENT FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$3,634	\$3,634	\$0
Expenditures:			
Current:			
Instruction:			
Regular	6,537	6,537	0
Excess of Revenues Under Expenditures	(2,903)	(2,903)	0
Other Financing Sources (Uses):			
Advances In	2,820	2,820	0
Advances Out	(2,119)	(2,119)	0
Net Change in Fund Balance	(2,202)	(2,202)	0
Fund Balance at Beginning of Year	1	1	0
Prior Year Encumbrances Appropriated	2,201	2,201	0
Fund Balance at End of Year	\$0	\$0	\$0

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ALTERNATIVE SCHOOLS FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$119,299	\$119,299	\$0
Expenditures:			
Current:			
Support Services:			
Pupils	101,602	101,602	0
Administration	25,000	25,000	0
Total Expenditures	126,602	126,602	0
Excess of Revenues Under Expenditures	(7,303)	(7,303)	0
Other Financing Sources (Uses):			
Refund of Prior Year Receipts	(13,348)	(13,348)	0
Advances In	4,750	4,750	0
Total Other Financing Sources (Uses)	(8,598)	(8,598)	0
Net Change in Fund Balance	(15,901)	(15,901)	0
Fund Balance at Beginning of Year	801	801	0
Prior Year Encumbrances Appropriated	13,664	13,664	0
Fund Deficit at End of Year	(\$1,436)	(\$1,436)	\$0

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MISCELLANEOUS STATE GRANTS FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$70,825	\$70,821	(\$4)
Expenditures:			
Current:			
Support Services:			
Central	14,630	0	14,630
Net Change in Fund Balance	56,195	70,821	14,626
Fund Deficit at Beginning of Year	(37,563)	(37,563)	0
Fund Balance at End of Year	\$18,632	\$33,258	\$14,626

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
RACE TO THE TOP FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$227,406	\$227,406	\$0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	199,102	199,102	0
Net Change in Fund Balance	28,304	28,304	0
Fund Deficit at Beginning of Year	(26,125)	(26,125)	0
Prior Year Encumbrances Appropriated	0	0	0
Fund Balance at End of Year	\$2,179	\$2,179	\$0

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE VI-B FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$3,682,608	\$3,682,608	\$0
Expenditures:			
Current:			
Instruction:			
Special	1,739,387	1,739,387	0
Support Services:			
Pupils	1,393,766	1,393,766	0
Instructional Staff	750,851	750,851	0
Administration	56,794	56,794	0
Fiscal	88,095	88,095	0
Operation of Non-Instructional Services	193,670	193,670	0
Total Expenditures	4,222,563	4,222,563	0
Excess of Revenues Under Expenditures	(539,955)	(539,955)	0
Other Financing Sources:			
Advances In	182,848	182,848	0
Net Change in Fund Balance	(357,107)	(357,107)	0
Fund Balance at Beginning of Year	22,397	22,397	0
Prior Year Encumbrances Appropriated	334,715	334,715	0
Fund Balance at End of Year	\$5	\$5	\$0

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
VOCATIONAL EDUCATION FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$556,241	\$556,241	\$0
Expenditures:			
Current:			
Instruction:			
Vocational	414,196	414,196	0
Support Services:			
Pupils	59,203	59,203	0
Instructional Staff	40,699	40,699	0
Administration	27,601	27,601	0
Central	90,566	90,566	0
Total Expenditures	632,265	632,265	0
Excess of Revenues Under Expenditures	(76,024)	(76,024)	0
Other Financing Sources (Uses):			
Advances In	31,210	31,210	0
Advances Out	(7,016)	(7,016)	0
Total Other Financing Sources (Uses)	24,194	24,194	0
Net Change in Fund Balance	(51,830)	(51,830)	0
Fund Balance at Beginning of Year	540	540	0
Prior Year Encumbrances Appropriated	45,882	45,882	0
Fund Deficit at End of Year	(\$5,408)	(\$5,408)	\$0

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE I SCHOOL IMPROVEMENT STIMULUS A FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	<u>\$1,878,120</u>	<u>\$1,877,611</u>	<u>(\$509)</u>
Expenditures:			
Current:			
Instruction:			
Other	1,023,978	1,023,978	0
Support Services:			
Instructional Staff	<u>14,518</u>	<u>14,518</u>	<u>0</u>
Total Expenditures	<u>1,038,496</u>	<u>1,038,496</u>	<u>0</u>
Net Change in Fund Balance	839,624	839,115	(509)
Fund Deficit at Beginning of Year	<u>(792,672)</u>	<u>(792,672)</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$46,952</u></u>	<u><u>\$46,443</u></u>	<u><u>(\$509)</u></u>

**DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
STIMULUS SCHOOL IMPROVEMENT SUBSIDY G FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$691,007	\$691,007	\$0
Expenditures:			
Current:			
Instruction:			
Special	152,508	152,508	0
Other	367,709	367,708	1
Support Services:			
Pupils	29,139	29,139	0
Instructional Staff	400,760	400,760	0
Fiscal	7,211	7,211	0
Total Expenditures	957,327	957,326	1
Excess of Revenues Under Expenditures	(266,320)	(266,319)	1
Other Financing Sources (Uses):			
Advances In	130,508	130,508	0
Advances Out	(168,598)	(168,598)	0
Total Other Financing Sources (Uses)	(38,090)	(38,090)	0
Net Change in Fund Balance	(304,410)	(304,409)	1
Fund Balance at Beginning of Year	1	1	0
Prior Year Encumbrances Appropriated	195,298	195,298	0
Fund Deficit at End of Year	(\$109,111)	(\$109,110)	\$1

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DROPOUT PREVENTION AND INTERVENTION FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$112,597	\$112,597	\$0
Expenditures:			
Current:			
Instruction:			
Special	38,181	38,181	0
Support Services:			
Pupils	5,181	5,181	0
Instructional Staff	107,895	107,895	0
Fiscal	3,676	3,676	0
Pupil Transportation	1,000	1,000	0
Operation of Non-Instructional Services	15,594	15,594	0
Total Expenditures	171,527	171,527	0
Excess of Revenues Under Expenditures	(58,930)	(58,930)	0
Other Financing Sources (Uses):			
Advances In	29,262	29,262	0
Advances Out	(3,253)	(3,253)	0
Total Other Financing Sources (Uses)	26,009	26,009	0
Net Change in Fund Balance	(32,921)	(32,921)	0
Fund Balance at Beginning of Year	1,547	1,547	0
Prior Year Encumbrances Appropriated	11,189	11,189	0
Fund Deficit at End of Year	(\$20,185)	(\$20,185)	\$0

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE I FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$8,626,798	\$8,626,798	\$0
Expenditures:			
Current:			
Instruction:			
Special	4,060,462	4,060,462	0
Other Instruction	2,921,182	2,921,182	0
Support Services:			
Pupils	102,483	102,483	0
Instructional Staff	1,003,027	1,003,027	0
Administration	410,229	410,229	0
Fiscal	270,617	270,617	0
Pupil Transportation	147,530	147,530	0
Operation of Non-Instructional Services	699,284	699,284	0
Total Expenditures	9,614,814	9,614,814	0
Excess of Revenues Under Expenditures	(988,016)	(988,016)	0
Other Financing Sources (Uses):			
Advances In	289,072	289,072	0
Advances Out	(241,679)	(241,679)	0
Total Other Financing Sources (Uses)	47,393	47,393	0
Net Change in Fund Balance	(940,623)	(940,623)	0
Fund Balance at Beginning of Year	1,206	1,206	0
Prior Year Encumbrances Appropriated	940,622	940,622	0
Fund Balance at End of Year	\$1,205	\$1,205	\$0

**DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
EHA PRESCHOOL GRANTS FOR THE HANDICAPPED FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$155,640	\$155,633	(\$7)
Expenditures:			
Current:			
Instruction:			
Special	145,963	145,963	0
Support Services:			
Instructional Staff	2,068	2,068	0
Fiscal	3,170	3,170	0
Total Expenditures	151,201	151,201	0
Net Change in Fund Balance	4,439	4,432	(7)
Fund Balance at Beginning of Year	141	141	0
Fund Balance at End of Year	\$4,580	\$4,573	(\$7)

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TITLE VI-R CLASSROOM SIZE REDUCTION FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$649,082	\$649,082	\$0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	864,593	864,593	0
Fiscal	51,488	51,488	0
Operation and Maintenance of Plant	18,277	18,277	0
Total Expenditures	934,358	934,358	0
Excess of Revenues Under Expenditures	(285,276)	(285,276)	0
Other Financing Sources:			
Advances In	575	575	0
Net Change in Fund Balance	(284,701)	(284,701)	0
Fund Balance at Beginning of Year	118,960	118,960	0
Prior Year Encumbrances Appropriated	69,593	69,593	0
Fund Deficit at End of Year	(\$96,148)	(\$96,148)	\$0

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MISCELLANEOUS FEDERAL GRANTS FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$225,312	\$225,312	\$0
Expenditures:			
Current:			
Instruction:			
Special	4,508	4,508	0
Other	175,622	175,622	0
Support Services:			
Pupils	50,037	45,357	4,680
Instructional Staff	2,724	2,724	0
Fiscal	5,663	4,672	991
Pupil Transportation	7,918	7,918	0
Total Expenditures	246,472	240,801	5,671
Excess of Revenues Under Expenditures	(21,160)	(15,489)	5,671
Other Financing Sources (Uses):			
Advances In	36,713	36,713	0
Advances Out	(58,106)	(58,106)	0
Total Other Financing Sources (Uses)	(21,393)	(21,393)	0
Net Change in Fund Balance	(42,553)	(36,882)	5,671
Fund Balance at Beginning of Year	11,553	11,553	0
Prior Year Encumbrances Appropriated	48,115	48,115	0
Fund Balance at End of Year	\$17,115	\$22,786	\$5,671

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL TRUST FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:	\$0	\$0	\$0
Expenditures:			
Current:			
Support Services:			
Pupils	196,546	1,411	195,135
Instructional Staff	7,740	0	7,740
Total Expenditures	204,286	1,411	202,875
Net Change in Fund Balance	(204,286)	(1,411)	202,875
Fund Balance at Beginning of Year	204,286	204,286	0
Fund Balance at End of Year	\$0	\$202,875	\$202,875

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOOD SERVICE FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$10,078,000	\$10,076,551	(\$1,449)
Interest	95,790	95,569	(221)
Customer Sales and Services	1,116,256	1,122,037	5,781
Extracurricular Activities	0	20	20
Miscellaneous	85,900	78,391	(7,509)
Total Revenues	11,375,946	11,372,568	(3,378)
Expenditures:			
Current:			
Support Services:			
Operation and Maintenance of Plant	1,197	31	1,166
Operation of Non-Instructional Services	13,255,186	9,686,369	3,568,817
Total Expenditures	13,256,383	9,686,400	3,569,983
Net Change in Fund Balance	(1,880,437)	1,686,168	3,566,605
Fund Balance at Beginning of Year	6,388,692	6,388,692	0
Prior Year Encumbrances Appropriated	1,084,743	1,084,743	0
Fund Balance at End of Year	\$5,592,998	\$9,159,603	\$3,566,605

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
WELCOME STADIUM FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Extracurricular Activities	\$370,380	\$370,332	(\$48)
Expenditures:			
Current:			
Support Services:			
Operation and Maintenance of Plant	42,156	42,156	0
Extracurricular Activities	296,162	296,162	0
Total Expenditures	338,318	338,318	0
Net Change in Fund Balance	32,062	32,014	(48)
Fund Balance at Beginning of Year	68,915	68,915	0
Prior Year Encumbrances Appropriated	22,525	22,525	0
Fund Balance at End of Year	\$123,502	\$123,454	(\$48)

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
UNIFORM SCHOOL SUPPLIES FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:	\$0	\$0	\$0
Expenditures:			
Current:			
Instruction:			
Regular	32,312	1,764	30,548
Net Change in Fund Balance	(32,312)	(1,764)	30,548
Fund Balance at Beginning of Year	32,312	32,312	0
Fund Balance at End of Year	\$0	\$30,548	\$30,548

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
OTHER GRANT ROTARY FUND - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Extracurricular Activities	\$10,355	\$9,751	(\$604)
Expenditures:			
Current:			
Instruction:			
Regular	92,265	3,661	88,604
Net Change in Fund Balance	(81,910)	6,090	88,000
Fund Balance at Beginning of Year	82,514	82,514	0
Fund Balance at End of Year	\$604	\$88,604	\$88,000

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PUBLIC SCHOOL SUPPORT FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Extracurricular Activities	\$159,300	\$159,179	(\$121)
Miscellaneous	5,058	5,056	(2)
Total Revenues	<u>164,358</u>	<u>164,235</u>	<u>(123)</u>
Expenditures:			
Current:			
Instruction:			
Regular	875,693	348,508	527,185
Special	3,087	1,494	1,593
Adult/Continuing	80,932	0	80,932
Support Services:			
Instructional Staff	8,495	1,900	6,595
Operation and Maintenance of Plant	285	135	150
Total Expenditures	<u>968,492</u>	<u>352,037</u>	<u>616,455</u>
Excess of Revenues Under Expenditures	(804,134)	(187,802)	616,332
Other Financing Uses:			
Transfers Out	<u>(521)</u>	<u>(521)</u>	<u>0</u>
Net Change in Fund Balance	(804,655)	(188,323)	616,332
Fund Balance at Beginning of Year	705,821	705,821	0
Prior Year Encumbrances Appropriated	<u>103,610</u>	<u>103,610</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$4,776</u></u>	<u><u>\$621,108</u></u>	<u><u>\$616,332</u></u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PERMANENT IMPROVEMENT FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Property and Other Local Taxes	\$565,550	\$565,474	(\$76)
Intergovernmental	247,394	242,567	(4,827)
Miscellaneous	0	20	20
Total Revenues	812,944	808,061	(4,883)
Expenditures:			
Current:			
Support Services:			
Fiscal	1,132,775	1,126,231	6,544
Operation and Maintenance of Plant	21,845	21,845	0
Pupil Transportation	480,545	431,395	49,150
Central	10,745	10,745	0
Debt Service:			
Principal Retirement	595,000	595,000	0
Interest and Fiscal Charges	670,915	136,341	534,574
Total Expenditures	2,911,825	2,321,557	590,268
Excess of Revenues Under Expenditures	(2,098,881)	(1,513,496)	585,385
Other Financing Sources:			
Transfers In	373,348	373,348	0
Net Change in Fund Balance	(1,725,533)	(1,140,148)	585,385
Fund Balance at Beginning of Year	20,772,932	20,772,932	0
Prior Year Encumbrances Appropriated	534,574	534,574	0
Fund Balance at End of Year	\$19,581,973	\$20,167,358	\$585,385

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUILDING FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:	\$0	\$0	\$0
Expenditures:			
Capital Outlay	94	0	94
Excess of Revenues Under Expenditures	(94)	0	94
Other Financing Uses:			
Transfers Out	(320,976)	(321,070)	(94)
Net Change in Fund Balance	(321,070)	(321,070)	0
Fund Balance at Beginning of Year	320,976	320,976	0
Prior Year Encumbrances Appropriated	94	94	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CLASSROOM FACILITIES FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:	\$0	\$0	\$0
Expenditures:	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	0	0	0
Other Financing Uses:			
Transfers Out	<u>(52,278)</u>	<u>(52,278)</u>	<u>0</u>
Net Change in Fund Balance	(52,278)	(52,278)	0
Fund Balance at Beginning of Year	<u>52,278</u>	<u>52,278</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
WAREHOUSE FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:	\$0	\$0	\$0
Expenses:			
Purchased Services	9,805	6,818	2,987
Supplies and Materials	86,721	3,563	83,158
Total Expenses	96,526	10,381	86,145
Net Change in Fund Equity	(96,526)	(10,381)	86,145
Fund Equity at Beginning of Year	82,820	82,820	0
Prior Year Encumbrances Appropriated	13,706	13,706	0
Fund Equity at End of Year	\$0	\$86,145	\$86,145

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
RETROSPECTIVE WORKERS' COMP FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Charges for Services	\$1,051,000	\$841,669	(\$209,331)
Expenses:			
Salaries	85,000	80,158	4,842
Fringe Benefits	33,250	21,058	12,192
Purchased Services	756,367	316,491	439,876
Other	6,576,750	1,086,336	5,490,414
Total Expenses	7,451,367	1,504,043	5,947,324
Net Change in Fund Equity	(6,400,367)	(662,374)	5,737,993
Fund Equity at Beginning of Year	6,480,179	6,480,179	0
Prior Year Encumbrances Appropriated	1,367	1,367	0
Fund Equity at End of Year	\$81,179	\$5,819,172	\$5,737,993

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
SELF-INSURANCE FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Charges for Services	\$24,443,873	\$24,443,661	(\$212)
Expenses:			
Purchased Services	2,210,000	2,133,747	76,253
Claims	38,779,500	17,714,264	21,065,236
Other	10,500	9,658	842
Total Expenses	41,000,000	19,857,669	21,142,331
Net Change in Fund Equity	(16,556,127)	4,585,992	21,142,119
Fund Equity at Beginning of Year	16,724,173	16,724,173	0
Fund Equity at End of Year	\$168,046	\$21,310,165	\$21,142,119

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STATISTICAL SECTION

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

Contents:

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place. These schedules can be found on pages 158 to 159.

Operating Information

These schedules contain information about the School District's operation and resources to help the reader understand how the School District's financial information relates to the services provided and activities performed. These schedules can be found on pages 160 to 165.

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

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Net Position:				
Net Investment in Capital Assets	\$11,057,668	\$156,806,490	\$204,395,827	\$274,083,127
Restricted	306,007,970	165,443,307	141,858,409	80,259,977
Unrestricted (Deficit)	<u>17,820,009</u>	<u>19,671,988</u>	<u>18,542,406</u>	<u>25,248,921</u>
Total Net Position	<u>\$334,885,647</u>	<u>\$341,921,785</u>	<u>\$364,796,642</u>	<u>\$379,592,025</u>

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

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 (1)</u>	<u>2015 (1)</u>	<u>2016</u>
\$239,262,065	\$262,446,792	\$254,064,580	\$250,180,477	\$242,654,442	\$241,847,586
106,882,904	66,107,281	74,987,306	81,075,660	69,804,020	70,332,894
47,908,184	46,815,756	36,993,228	(214,121,742)	(189,844,884)	(162,246,002)
<u>\$394,053,153</u>	<u>\$375,369,829</u>	<u>\$366,045,114</u>	<u>\$117,134,395</u>	<u>\$122,613,578</u>	<u>\$149,934,478</u>

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

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

	2007	2008	2009	2010
Program Revenues:				
Charges for Services and Sales:				
Regular Instruction	\$1,835,460	\$1,341,082	\$2,386,406	\$1,789,584
Special Instruction	178,231	100,636	0	0
Vocational	0	0	0	0
Adult/Continuing	0	0	0	0
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Operation & Maintenance of Plant	0	0	0	0
Non-Instructional Services	1,919,204	1,510,104	1,751,167	1,475,801
Extracurricular Activities	509,132	1,144,216	636,536	628,574
Other	0	1,064,374	305,335	745,087
Total Charges for Services and Sales	<u>4,442,027</u>	<u>5,160,412</u>	<u>5,079,444</u>	<u>4,639,046</u>
Operating Grants and Contributions	54,385,141	59,341,676	66,429,355	57,533,689
Capital Grants and Contributions	<u>91,054,817</u>	<u>443,277</u>	<u>939,577</u>	<u>0</u>
Total Program Revenues	<u>149,881,985</u>	<u>64,945,365</u>	<u>72,448,376</u>	<u>62,172,735</u>
Expenses:				
Instruction	111,360,344	95,084,453	98,856,366	96,506,253
Pupils	9,575,153	10,155,766	10,819,918	9,677,972
Instructional Staff	19,131,027	13,464,968	15,699,017	18,484,817
Board of Education	1,095,719	1,525,305	703,373	1,083,663
Administration	13,132,034	12,003,326	16,305,055	18,587,883
Fiscal	3,058,611	4,289,621	3,779,802	3,700,471
Business	1,519,529	2,145,686	1,682,577	1,500,067
Operation and Maintenance of Plant	31,623,068	22,628,479	22,091,652	22,163,606
Pupil Transportation	19,206,398	18,765,970	15,992,195	16,741,034
Central	7,214,836	6,615,020	7,753,959	7,291,951
Non-Instructional Services	62,479,482	69,946,502	72,023,470	73,765,748
Extracurricular Activities	1,882,414	1,458,700	1,932,220	1,997,118
Interest and Fiscal Charges	12,165,455	11,951,294	11,693,210	12,029,713
Unallocated Depreciation	<u>1,325,075</u>	<u>4,603,690</u>	<u>3,392,488</u>	<u>5,123,531</u>
Total Expenses	<u>294,769,145</u>	<u>274,638,780</u>	<u>282,725,302</u>	<u>288,653,827</u>
Net Expense	<u><u>(\$144,887,160)</u></u>	<u><u>(\$209,693,415)</u></u>	<u><u>(\$210,276,926)</u></u>	<u><u>(\$226,481,092)</u></u>

2011	2012	2013	2014 (1)	2015 (1)	2016
\$3,220,136	\$2,353,387	\$1,322,960	\$1,925,139	\$1,558,648	\$1,023,739
0	0	0	0	0	0
0	0	106	0	91,301	0
0	0	7,008	0	0	0
0	0	6,422	6,664	1,338	1,056
0	0	5,577	5,207	3,136	1,205
0	0	679,896	468,285	531,011	508,289
1,227,808	1,062,209	1,037,089	1,028,938	1,139,326	1,075,285
686,070	576,411	502,723	1,174,278	491,572	511,825
915,281	729,560	0	98	0	0
6,049,295	4,721,567	3,561,781	4,608,609	3,816,332	3,121,399
29,137,438	55,397,307	53,460,982	54,267,485	53,064,184	54,697,539
0	0	0	0	0	0
35,186,733	60,118,874	57,022,763	58,876,094	56,880,516	57,818,938
95,366,779	94,121,187	95,802,036	165,244,985	162,223,202	158,603,649
11,333,241	11,415,832	10,584,362	11,763,457	12,245,548	11,857,314
17,859,066	18,606,460	17,008,329	8,835,834	8,399,226	7,505,008
747,968	660,791	1,149,317	927,658	824,985	1,092,545
15,189,457	18,505,586	14,929,426	13,636,472	12,466,220	11,170,471
3,614,243	4,596,315	3,826,663	5,217,631	4,528,097	4,391,805
1,543,948	2,578,038	2,550,132	2,399,243	2,024,427	1,931,662
20,595,511	21,073,668	19,227,426	20,987,840	20,446,564	17,809,132
17,954,929	17,184,232	17,396,242	16,306,093	15,730,944	14,481,316
7,798,118	10,263,636	9,027,827	7,476,402	7,908,228	10,860,544
72,608,042	69,881,407	69,883,726	10,339,937	10,310,798	10,336,925
1,885,787	1,773,357	1,779,626	1,984,798	2,004,762	1,887,419
10,796,083	9,954,404	6,046,324	6,134,499	9,636,179	7,263,128
5,819,416	9,694,823	8,420,106	9,276,491	19,201,699	10,183,860
283,112,588	290,309,736	277,631,542	280,531,340	287,950,879	269,374,778
(\$247,925,855)	(\$230,190,862)	(\$220,608,779)	(\$221,655,246)	(\$231,070,363)	(\$211,555,840)

(continued)

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Net Expense	(\$144,887,160)	(\$209,693,415)	(\$210,276,926)	(\$226,481,092)
General Revenues:				
Property Taxes Levied for:				
General Purposes	73,210,958	65,646,213	66,244,784	63,864,510
Debt Service	14,391,679	12,834,750	12,081,522	11,412,497
Capital Projects	810,634	725,811	686,935	654,684
Other Purposes	810,635	725,812	686,936	654,683
Grants and Entitlements Not Restricted to Specific Programs	93,566,583	113,682,762	143,522,125	166,650,134
Gifts and Donations	0	0	0	0
Gain on Sale of Capital Assets	0	0	0	0
Investment Earnings	17,146,192	14,276,257	4,745,892	(6,557,960)
Miscellaneous	6,542,377	5,422,664	5,183,589	4,624,342
Special Item	0	0	0	0
Total General Revenues and Special Item	<u>206,479,058</u>	<u>213,314,269</u>	<u>233,151,783</u>	<u>241,302,890</u>
Change in Net Position	<u>\$61,591,898</u>	<u>\$3,620,854</u>	<u>\$22,874,857</u>	<u>\$14,821,798</u>

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

2011	2012	2013	2014 (1)	2015 (1)	2016
(\$247,925,855)	(\$230,190,862)	(\$220,608,779)	(\$221,655,246)	(\$231,070,363)	(\$211,555,840)
74,266,805	49,195,475	56,770,433	64,113,221	63,695,828	55,650,757
14,750,041	9,936,314	14,468,317	15,677,509	14,428,103	14,871,710
773,364	522,806	585,370	658,127	651,848	554,973
773,364	522,806	585,368	658,127	651,848	554,973
160,821,538	142,564,676	138,351,191	142,562,668	155,167,829	164,370,431
0	0	7,245	0	0	0
0	130,000	0	0	0	0
5,801,584	2,150,190	(399,516)	360,954	716,208	582,471
5,200,287	6,485,271	915,656	1,894,166	1,237,882	2,291,425
0	0	0	(775,455)	0	0
262,386,983	211,507,538	211,284,064	225,149,317	236,549,546	238,876,740
\$14,461,128	(\$18,683,324)	(\$9,324,715)	\$3,494,071	\$5,479,183	\$27,320,900

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

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

	2007	2008	2009	2010
General Fund:				
Nonspendable	\$0	\$0	\$0	\$894,677
Assigned	0	0	0	347,205
Unassigned (Deficit)	0	0	0	4,498,288
Reserved	6,330,325	5,211,314	6,289,229	0
Unreserved (Deficit)	(6,295,473)	(319,010)	279,230	0
Total General Fund	\$34,852	\$4,892,304	\$6,568,459	\$5,740,170
All Other Governmental Funds:				
Nonspendable	\$0	\$0	\$0	\$201,138
Restricted	0	0	0	147,679,559
Unassigned (Deficit)	0	0	0	(2,609,600)
Reserved	127,820,587	42,417,236	61,517,410	0
Unreserved, Reported in:				
Special Revenue Funds	5,260,400	4,921,336	4,716,508	0
Debt Service Fund	14,494,701	13,977,212	11,899,467	0
Capital Projects Funds	111,135,925	133,053,990	102,417,098	0
Total All Other Governmental Funds	\$258,711,613	\$194,369,774	\$180,550,483	\$145,271,097

Notes:

The School District implemented GASB 54 in fiscal year 2011.

The effects of GASB 54 are first reflected in 2010.

2011	2012	2013	2014	2015	2016
\$1,183,167	\$1,120,782	\$161,798	\$161,798	\$245,050	\$255,012
87,383	109,751	4,117,751	0	3,065,044	4,850,790
8,739,049	16,705,284	0	(3,784,487)	1,037,233	17,769,798
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$10,009,599</u>	<u>\$17,935,817</u>	<u>\$4,279,549</u>	<u>(\$3,622,689)</u>	<u>\$4,347,327</u>	<u>\$22,875,600</u>
\$119,182	\$56,420	\$0	\$0	\$0	\$0
94,212,021	61,541,462	58,376,847	61,958,295	52,251,761	49,809,881
(2,737,367)	(2,157,329)	(374,324)	(61,071)	(79,987)	(50,071)
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>\$91,593,836</u>	<u>\$59,440,553</u>	<u>\$58,002,523</u>	<u>\$61,897,224</u>	<u>\$52,171,774</u>	<u>\$49,759,810</u>

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

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

	2007	2008	2009	2010
Revenues:				
Property and Other Local Taxes	\$90,489,848	\$81,561,049	\$76,223,293	\$69,279,536
Intergovernmental	216,757,616	226,479,942	233,641,391	243,734,419
Investment Earnings	17,260,845	13,782,073	5,782,612	1,427,190
Tuition and Fees	1,493,412	2,103,573	2,105,684	1,285,216
All Other Revenues	9,500,464	8,591,424	7,732,819	8,075,526
Total Revenue	335,502,185	332,518,061	325,485,799	323,801,887
Expenditures:				
Current:				
Instruction	115,046,682	91,854,848	99,360,164	97,474,076
Support Services:				
Pupils	9,863,485	10,214,217	10,671,850	9,421,194
Instructional Staff	19,559,431	13,614,035	15,418,891	18,457,903
Board of Education	1,108,281	1,515,645	704,595	1,043,473
Administration	13,538,125	12,102,344	16,112,024	18,431,062
Fiscal and Business	4,635,879	5,714,758	5,414,391	5,171,192
Operation and Maintenance of Plant	22,875,579	22,612,843	22,020,305	21,924,172
Pupil Transportation	18,557,040	17,289,289	15,292,841	18,108,151
Central	7,189,660	6,332,612	7,546,319	6,762,566
Operation of Non-Instructional Services	62,658,030	69,785,072	71,922,219	73,427,459
Extracurricular Activities	1,841,486	1,422,323	1,910,692	1,953,493
Capital Outlay	87,105,790	120,414,866	51,779,324	76,457,572
Debt Service:				
Principal Retirement	7,026,683	6,631,517	6,855,890	7,531,334
Interest and Fiscal Charges	12,175,930	11,969,440	12,133,216	12,479,835
Current Refunding	0	0	0	0
Swap Termination Fee	0	0	0	0
Accretion	0	0	0	0
Advance Refunding Escrow	0	0	0	0
Issuance Costs	0	0	0	0
Total Expenditures	383,182,081	391,473,809	337,142,721	368,643,482
Excess of Revenues Over (Under) Expenditures	(47,679,896)	(58,955,748)	(11,656,922)	(44,841,595)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	10,883	91,060	98,849	0
Current Refunding Bonds Issued	0	0	0	0
Current Refunding	0	0	0	0
Refunding Bonds Issued	0	0	0	0
Proceeds from Sale of Notes	0	0	0	0
Premium on Issuance of Bonds	0	0	0	0
Premium on Issuance of Refunding Bonds	0	0	0	0
Payment to Refunding Bonds Escrow Agent	0	0	0	0
Refunding Notes Issued	0	0	0	0
Proceeds from Sale of Options	0	0	0	9,685,000
Transfers In	444,226	20,600,018	23,006,814	3,460,042
Transfers Out	(1,126,408)	(21,219,717)	(23,591,877)	(4,384,707)
Total Other Financing Sources (Uses)	(671,299)	(528,639)	(486,214)	8,760,335
Net Change in Fund Balance	(\$48,351,195)	(\$59,484,387)	(\$12,143,136)	(\$36,081,260)
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	6.49%	6.86%	6.65%	6.85%

2011	2012	2013	2014	2015	2016
\$72,603,902	\$68,395,202	\$67,189,704	\$72,959,640	\$76,057,644	\$70,689,022
220,348,538	204,754,204	191,347,183	195,779,510	210,204,788	217,267,692
1,774,828	1,170,074	575,840	431,199	678,042	788,163
2,764,195	2,181,368	1,164,730	1,778,113	1,385,333	856,717
8,512,622	9,043,234	3,339,508	5,024,191	3,585,361	4,558,182
<u>306,004,085</u>	<u>285,544,082</u>	<u>263,616,965</u>	<u>275,972,653</u>	<u>291,911,168</u>	<u>294,159,776</u>
97,124,824	91,211,967	95,154,860	164,797,627	168,714,248	161,718,118
11,509,619	11,282,269	10,919,710	12,469,823	12,972,711	12,934,081
18,142,239	18,516,548	17,431,368	9,901,114	9,086,069	8,538,368
732,653	629,222	1,135,863	945,478	826,304	1,096,913
15,194,443	18,434,096	14,333,319	14,390,511	13,275,087	12,370,757
5,118,077	7,137,785	6,286,960	7,462,445	6,582,722	6,422,319
20,512,238	20,812,849	19,504,200	21,627,130	21,040,285	18,897,455
17,123,253	18,317,466	16,296,573	15,176,922	14,325,323	13,914,950
7,687,374	10,532,374	8,877,094	7,223,004	7,614,338	10,610,970
72,775,088	69,737,428	70,402,708	10,963,005	10,779,206	11,154,107
1,871,742	1,732,629	1,697,331	1,931,923	2,010,106	1,914,757
67,536,348	24,089,932	908,877	369,545	412,868	0
7,842,900	9,582,257	7,960,000	8,310,000	7,849,989	9,945,000
11,246,601	10,384,326	6,647,585	6,992,202	11,501,207	8,525,672
0	0	0	5,000	5,425,000	0
0	0	12,955,000	0	17,846,129	0
0	0	0	0	2,120,011	0
0	0	2,280,563	0	0	0
0	292,498	0	0	0	0
<u>354,417,399</u>	<u>312,693,646</u>	<u>292,792,011</u>	<u>282,565,729</u>	<u>312,381,603</u>	<u>278,043,467</u>
<u>(48,413,314)</u>	<u>(27,149,564)</u>	<u>(29,175,046)</u>	<u>(6,593,076)</u>	<u>(20,470,435)</u>	<u>16,116,309</u>
0	130,000	0	1,700,567	0	0
0	0	0	0	90,360,000	0
0	0	0	(93,445,000)	(88,025,000)	0
0	14,735,000	98,284,989	93,445,000	0	0
0	2,495,000	0	0	0	0
0	64,898	0	0	0	0
0	628,370	16,438,446	884,972	16,380,001	0
0	(15,130,769)	(194,092,687)	0	0	0
0	0	93,450,000	0	0	0
0	0	0	0	0	0
1,500,000	16,179,663	1,242,486	279,315	21,500,000	373,348
<u>(2,494,518)</u>	<u>(16,179,663)</u>	<u>(1,242,486)</u>	<u>(279,315)</u>	<u>(21,500,000)</u>	<u>(373,348)</u>
<u>(994,518)</u>	<u>2,922,499</u>	<u>14,080,748</u>	<u>2,585,539</u>	<u>18,715,001</u>	<u>0</u>
<u>(\$49,407,832)</u>	<u>(\$24,227,065)</u>	<u>(\$15,094,298)</u>	<u>(\$4,007,537)</u>	<u>(\$1,755,434)</u>	<u>\$16,116,309</u>
6.65%	6.98%	5.00%	5.42%	6.88%	6.65%

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

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

Collection Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2016	\$1,322,350,390	3,778,143,971	\$96,310,250	247,342,233
2015	1,328,401,510	4,189,555,171	93,576,040	232,153,620
2014	1,466,344,310	4,189,555,171	90,396,100	232,153,620
2013	1,459,489,480	4,169,969,943	82,448,800	211,743,509
2012	1,513,906,510	4,325,447,171	76,811,230	197,265,204
2011	1,747,249,560	4,992,141,600	74,225,500	190,624,580
2010	1,770,190,640	5,057,687,543	72,227,100	185,850,333
2009	1,794,498,110	5,130,285,140	72,915,370	184,430,587
2008	1,849,984,400	5,285,669,714	71,137,000	182,692,750
2007	1,859,214,090	5,312,040,257	95,265,070	244,658,021

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

Notes:

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

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

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

Tangible Personal Property		Total		Total Direct Tax Rate	Assessed Value Ratio
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$0	\$0	1,418,660,640	\$4,025,486,204	\$81.35	35.2%
0	0	1,421,977,550	4,421,708,791	79.85	35.2
0	0	1,556,740,410	4,421,708,791	79.85	35.2
0	0	1,541,938,280	4,381,713,452	79.85	35.2
0	0	1,590,717,740	4,522,712,376	77.52	35.2
0	0	1,821,475,060	5,182,766,180	76.52	35.1
2,404,820	9,619,280	1,844,822,560	5,253,157,156	75.75	35.1
15,661,840	20,882,453	1,883,075,320	5,335,598,180	75.75	35.3
93,440,335	1,495,045,360	2,014,561,735	6,963,407,824	70.85	28.9
139,769,404	607,693,061	2,094,248,564	6,164,391,339	70.85	34.0

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

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

School District Millage					
YEAR	Operating	Debt Service	Permanent Improvement	Maintenance and Upkeep	Total
2016	\$67.55	\$12.80	\$0.50	\$0.50	\$81.35
2015	67.55	11.30	0.50	0.50	79.85
2014	67.55	11.30	0.50	0.50	79.85
2013	67.55	11.30	0.50	0.50	79.85
2012	67.55	8.97	0.50	0.50	77.52
2011	67.55	7.97	0.50	0.50	76.52
2010	67.55	7.20	0.50	0.50	75.75
2009	67.55	7.20	0.50	0.50	75.75
2008	62.65	7.20	0.50	0.50	70.85
2007	62.65	7.20	0.50	0.50	70.85

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

Notes:

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

Overlapping Millage (a)

Montgomery County	City of Dayton	Dayton Montgomery County Library	City of Trotwood	City of Riverside	Harrison Township	Jefferson Township
\$22.94	\$10.00	\$3.31	\$23.80	\$11.34	\$36.97	\$18.59
21.94	10.00	3.31	23.80	11.34	32.97	18.59
20.94	10.00	3.31	23.80	11.34	28.97	18.59
20.94	10.00	3.31	19.65	11.34	24.97	18.59
20.94	10.00	1.75	19.65	11.34	24.97	18.59
20.94	10.00	1.75	19.65	11.34	24.97	18.59
20.94	10.00	1.75	19.65	11.34	23.97	18.59
20.94	10.00	1.25	16.65	11.34	23.97	18.59
20.24	10.00	1.25	17.39	11.34	21.00	18.59
18.24	10.00	1.25	17.39	11.34	21.00	18.59

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

<u>Name of Taxpayer</u>	<u>Fiscal Year 2016</u>			<u>Fiscal Year 2007</u>		
	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Value</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Value</u>
Dayton Power and Light Company	\$79,764,380	1	5.62%	\$ 50,422,500	1	2.41%
Vectren Energy Delivery of Ohio	16,746,590	2	1.18%	10,840,930	5	0.52%
City of Dayton	7,181,440	3	0.51%	6,416,410	10	0.31%
KND Real Estate 29 LLC	6,551,310	4	0.46%	N/A	N/A	N/A
GLP CAPITAL LP	5,964,560	5	0.42%	N/A	N/A	N/A
Dayton Hotel II LLC	5,171,320	6	0.36%	N/A	N/A	N/A
Miami Valley Hospital	4,265,500	7	0.30%	N/A	N/A	N/A
Elizabeth Place Holdings LLC	4,006,500	8	0.28%	N/A	N/A	N/A
Ducru SPE LLC	3,953,770	9	0.28%	N/A	N/A	N/A
Premier Plaza LP	3,567,170	10	0.25%	N/A	N/A	N/A
Ohio Bell Telephone Company	N/A	N/A	N/A	29,883,600	2	1.43%
NCR Corporation	N/A	N/A	N/A	17,535,710	3	0.84%
BEHR Dayton Terminal	N/A	N/A	N/A	11,632,940	4	0.56%
Delphi Automotive Systems	N/A	N/A	N/A	8,516,940	6	0.41%
Marriot International	N/A	N/A	N/A	7,490,000	7	0.36%
Dayton Heart Hospital	N/A	N/A	N/A	7,427,010	8	0.35%
Danis - Fifth Third Center	N/A	N/A	N/A	6,640,500	9	0.32%
Subtotal	137,172,540		9.66%	156,806,540		7.49%
All Other Taxpayers	<u>1,281,488,100</u>		<u>90.34%</u>	<u>1,937,442,024</u>		<u>92.51%</u>
Total Assessed Valuation	<u>\$1,418,660,640</u>		<u>100.00%</u>	<u>\$2,094,248,564</u>		<u>100.00%</u>

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

N/A - Information not available

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

Collection Year (1)	Current Levy	Current Tax Collections (2)	Percent of Current Levy Collected	Delinquent Tax Collections (3)
2016	\$88,811,780	\$77,956,516	87.8%	\$7,396,544
2015	86,119,321	75,356,526	87.5	7,212,382
2014	89,028,266	76,612,394	86.1	6,855,700
2013	87,607,359	75,771,460	86.5	5,573,767
2012	85,956,230	71,914,936	83.7	5,706,881
2011	88,240,878	75,895,004	86.0	4,540,620
2010	87,326,213	74,670,801	85.5	4,924,943
2009	88,548,073	77,026,897	87.0	6,180,051
2008	85,494,306	76,484,514	89.5	7,561,992
2007	94,359,884	83,077,715	88.0	9,047,073

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

Notes:

- (1) Represents collection year. 2016 information represents tax levies and collections through November 1, 2016.
- (2) State reimbursements of rollback and homestead exemptions are included.
- (3) The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.
- (4) Penalties and interest are included since by Ohio law they become part of the tax obligation as assessment occurs.

Total Tax Collections	Total Collection As a Percent of Current Levy	Outstanding Delinquent Taxes (4)	Delinquent Taxes to Current Tax Levy
\$85,353,060	96.1%	\$52,505,792	59.1%
82,568,908	95.9	50,246,721	58.3
83,468,094	93.8	46,862,257	52.6
81,345,227	92.9	38,441,505	43.9
77,621,817	90.3	34,825,288	40.5
80,435,624	91.2	43,043,091	48.8
79,595,744	91.1	24,878,970	28.5
83,206,948	94.0	17,328,667	19.6
84,046,506	98.3	15,259,202	17.8
92,124,788	97.6	15,928,159	16.9

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

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

Year	General Bonded Debt	Percentage of Total Assessed Property Value (a)	Per Capita (b)	Other Debt Obligations	
	General Obligation Bonds			Long-Term Notes Payable	Certificates of Participation
2016	\$193,561,206	13.64%	\$1,377	\$0	\$13,609,358
2015	205,191,960	14.43	1,455	0	14,231,321
2014	109,785,910	7.05	768	94,058,117	14,803,284
2013	117,683,113	7.63	833	94,289,559	15,320,247
2012	209,887,137	13.19	1,483	1,050,000	15,357,210
2011	214,669,313	11.79	1,517	1,400,000	14,760,000
2010	221,745,305	12.02	1,441	1,750,000	15,070,000
2009	228,566,297	12.14	1,458	2,100,000	15,350,000
2008	234,767,289	11.65	1,478	2,450,000	15,600,000
2007	240,793,281	11.50	1,516	2,800,000	15,825,000

Notes:

- (1) The School District reports only governmental activities and has no component units.
- (2) Details of the School District's outstanding debt can be found in Note 14 to the Notes to the Basic Financial Statements.
- (a) See assessed and estimated actual value of taxable property for total assessed property value.
- (b) See demographics schedule for personal income and population data, which are reported on a calendar year basis.
- (3) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

<u>Other Debt Obligations</u>		<u>Total Outstanding Debt Obligations</u>	<u>Percentage of Personal Income (b)</u>	<u>Per Capita (b)</u>
<u>QZAB Bonds</u>	<u>Capital Leases</u>			
\$10,000,000	\$0	\$217,170,564	8.94%	\$1,545
10,000,000	0	229,423,281	9.90	1,627
10,000,000	0	228,647,311	9.71	1,595
10,000,000	0	237,292,919	10.22	1,679
10,000,000	0	236,294,347	14.85	1,670
10,000,000	2,072,257	242,901,570	11.40	1,716
10,000,000	2,705,157	251,270,462	11.71	1,633
10,000,000	3,311,491	259,327,788	10.96	1,654
10,000,000	3,892,381	266,709,670	13.14	1,679
10,000,000	4,448,898	273,867,179	13.57	1,724

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Assessed Property Value	\$2,094,248,564	\$2,014,561,735	\$1,883,075,320	\$1,844,822,560
Overall Direct Debt Limitation:				
Bond Debt Limit (a)	188,482,371	181,310,556	169,476,779	166,034,030
Net Bond Indebtedness (c)	<u>(215,650,299)</u>	<u>(210,667,788)</u>	<u>(207,070,533)</u>	<u>(204,107,463)</u>
Overall Debt Margin (b)	<u>(\$27,167,928)</u>	<u>(\$29,357,232)</u>	<u>(\$37,593,754)</u>	<u>(\$38,073,433)</u>
<i>Total net bonded debt applicable to the limit as a percentage of overall direct debt limitation</i>	<i>114.41%</i>	<i>116.19%</i>	<i>122.18%</i>	<i>122.93%</i>
Unvoted Direct Debt Limitation:				
Unvoted Debt Limit (a)	2,094,249	2,014,562	1,883,075	1,844,823
Unvoted Debt Outstanding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$2,094,249</u>	<u>\$2,014,562</u>	<u>\$1,883,075</u>	<u>\$1,844,823</u>
<i>Total unvoted debt applicable to the limit as a percentage of unvoted direct debt limitation</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>

Source: Montgomery County Auditor and School District's financial records

Notes:

- (a) Ohio Bond Law sets a limit of 9% for voted debt, 9/10 of 1% for energy conservation and 1/10 of 1% for unvoted debt.
- (b) The Superintendent of Public Instruction in Ohio, in accordance with Ohio Revised Code Section 133.06(E), certified the School District as an "Approved Special Needs District" in 2003, which enabled the School District to issue bonded debt in excess of the limits statutorily set by the Ohio Bond Law.
- (c) Starting in 2013, this amount comes directly from the School Districts Bond Counsel.

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$1,821,475,060	\$1,590,717,740	\$1,541,938,280	\$1,556,740,410	\$1,421,977,550	\$1,418,660,640
163,932,755 <u>(199,510,750)</u>	143,164,597 <u>(195,632,944)</u>	138,774,445 <u>(183,897,917)</u>	140,106,637 <u>(183,654,989)</u>	127,977,980 <u>(177,961,090)</u>	127,679,458 <u>(153,348,814)</u>
<u><u>(\$35,577,995)</u></u>	<u><u>(\$52,468,347)</u></u>	<u><u>(\$45,123,472)</u></u>	<u><u>(\$43,548,352)</u></u>	<u><u>(\$49,983,110)</u></u>	<u><u>(\$25,669,355)</u></u>
<i>121.70%</i>	<i>136.65%</i>	<i>132.52%</i>	<i>131.08%</i>	<i>139.06%</i>	<i>120.10%</i>
1,821,475 <u>0</u>	1,590,718 <u>0</u>	1,541,938 <u>0</u>	1,556,740 <u>0</u>	1,421,978 <u>0</u>	1,418,661 <u>0</u>
<u><u>\$1,821,475</u></u>	<u><u>\$1,590,718</u></u>	<u><u>\$1,541,938</u></u>	<u><u>\$1,556,740</u></u>	<u><u>\$1,421,978</u></u>	<u><u>\$1,418,661</u></u>
<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>

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

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2016**

<u>Governmental Unit (1)</u>		<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Amount Applicable to School District</u>
Montgomery County	(b)	\$27,017,304	15.68%	\$4,236,313
City of Dayton	(b)	35,489,928	83.94%	29,790,246
City of Riverside	(b)	8,191,136	12.66%	1,036,998
City of Trotwood	(b)	13,503,133	15.86%	<u>2,141,597</u>
Subtotal, Overlapping Debt				37,205,153
School District Direct Debt			100.00%	<u>217,170,564</u>
Total Direct and Overlapping Debt				<u><u>\$254,375,717</u></u>

Source: Ohio Municipal Advisory Council

Notes:

- (1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the School District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the School District. This process recognizes that, when considering the School District's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account.
- (a) Percentages were determined by dividing the assessed valuation of the subdivision located within the boundaries of the School District by the total assessed value of the subdivision.
- (b) Debt outstanding is as of December 31, 2015.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 PLEDGED REVENUE COVERAGE
 LAST NINE FISCAL YEARS

Year	Revenue	Tax Anticipation Notes (a)		Coverage
		Principal	Interest	
2016	\$0	\$0	\$0	0.000
2015	\$615,618	\$350,000	\$6,405	1.727
2014	590,795	350,000	19,215	1.600
2013	557,340	350,000	32,132	1.459
2012	580,343	350,000	44,835	1.470
2011	618,623	350,000	57,645	1.518
2010	590,217	350,000	70,277	1.404
2009	665,845	350,000	83,265	1.537
2008	743,728	350,000	96,289	1.666
2007	820,988	350,000	108,885	1.789

Notes:

(1) Details regarding the School District's outstanding debt can be found in Note 14 to the Basic Financial Statements.

(a) These bonds are backed by the tax revenues collected on a one-half of one mill permanent improvement levy approved by voters in calendar year 2002. These bonds were retired in fiscal year 2015.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS

Year	City of Dayton Population (1)	Personal Income (2)	Per Capita Personal Income	Unemployment Rate (3)
2015	140,599	\$2,429,752,839	\$17,281	4.7%
2014	141,003	2,316,256,281	16,427	4.7
2013	143,355	2,354,892,585	16,427	5.4
2012	141,359	2,322,104,293	16,427	6.8
2011	141,527	1,590,717,740	11,240	9.8
2010	141,527	2,130,738,407	15,055	11.3
2009	153,843	2,144,937,339	13,942	12.1
2008	156,771	2,366,597,490	15,096	12.1
2007	158,873	2,029,749,085	12,776	7.2
2006	158,873	2,017,874,488	12,701	8.3

- Source::
- (1) U.S. Census Bureau and Miami Valley Regional Planning Commission, reported on calendar year-end.
 - (2) Ohio Department of Taxation. Current year amounts are not available, therefore estimates based on trends were used to calculate this amount.
 - (3) Ohio Bureau of Employment Services, reported on calendar year-end

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	Fiscal Year 2016			Fiscal Year 2007		
	Employees (a)	Rank	Percentage of Total Employees	Employees (a)	Rank	Percentage of Total Employees
Wright Patterson Air Force Base	27,500	1	39.81%	21,000	1	27.30%
Premier Health Partners	14,135	2	20.46%	9,000	3	11.70%
Kettering Medical Center Network	5,029	3	7.28%	7,000	4	9.10%
Montgomery County	4,559	4	6.60%	4,000	8	5.20%
Kroger Co.	4,100	5	5.94%	N/A	N/A	N/A
LexisNexis	3,100	6	4.49%	N/A	N/A	N/A
Wright State University	2,948	7	4.27%	N/A	N/A	N/A
Sinclair Community College	2,726	8	3.95%	N/A	N/A	N/A
Dayton City School District	2,574	9	3.73%	N/A	N/A	N/A
AK Steel Corporation	2,400	10	3.47%	N/A	N/A	N/A
Honda of America Manufacturing, Inc.	N/A	N/A	N/A	13,000	2	16.90%
Delphi Corporation	N/A	N/A	N/A	6,000	5	7.80%
Meijer Inc.	N/A	N/A	N/A	5,025	6	6.53%
The Reynolds and Reynolds Co.	N/A	N/A	N/A	4,400	7	5.72%
General Motors Corporation	N/A	N/A	N/A	4,000	9	5.20%
Miami University	N/A	N/A	N/A	3,500	10	4.55%
Total	<u>69,071</u>		<u>100.00%</u>	<u>76,925</u>		<u>100.00%</u>

Source: City of Dayton/Dayton Business Journal

Notes:

- (1) Information is presented on a calendar year basis as no information was available at the end of the School District's fiscal year.
- (2) Data is presented for the Dayton Metropolitan Area which does not have the same boundaries as Dayton City School District, however, this was the only data available.
- (a) Amount reported is employee headcount which differs from the "Full Time Equivalent" numbers reported elsewhere in this section.

N/A - Information not available

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

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Year	Average Daily Membership	Operating Expenditures (1)	Cost per Pupil	Percentage Change (2)	Expenses (3)	Cost per Pupil
2016	13,721	\$248,418,688	\$18,105	-5.75%	\$259,190,918	\$18,890
2015	13,350	256,447,193	19,210	1.15	268,749,180	20,131
2014	13,516	255,925,977	18,935	0.27	271,254,849	20,069
2013	13,616	202,959,747	14,906	1.02	269,211,436	19,772
2012	14,179	209,215,309	14,755	0.92	280,614,913	19,791
2011	14,174	207,237,315	14,621	-5.07	283,112,588	19,974
2010	13,664	210,456,733	15,402	8.77	286,809,065	20,990
2009	14,393	203,818,669	14,161	17.26	282,725,302	19,643
2008	16,157	195,120,251	12,077	-11.76	274,638,780	16,998
2007	16,517	226,049,108	13,686	2.03	294,769,145	17,846

Notes:

(1) Operating expenditures are total governmental fund expenditures less capital outlay, debt service and intergovernmental expenditures which are recorded as non-instructional services and represent pass-through payments from the State of Ohio to charter schools within the School District boundaries.

(2) Decrease in operating costs reported for 2008 was due to budget reductions implemented by the School District as part of its "fiscal recovery plan" developed to avoid a cash deficit during the fiscal year.

(3) Expenses are total government wide expenses less unallocated depreciation.

<u>Percentage Change</u>	<u>Number of Teaching Staff</u>	<u>Pupil-Teacher Ratio</u>	<u>Percentage of Free or Reduced Price Meals</u>
-6.16%	1,042	13.17	100.00%
0.31	1,033	12.92	100.00
1.50	1,053	12.84	100.00
-0.10	1,086	12.54	96.53
-0.92	1,178	12.04	77.90
-4.84	1,038	13.66	81.78
6.86	1,052	12.99	74.56
15.56	1,146	12.56	74.56
-4.75	1,163	13.89	68.60
1.63	1,405	11.76	72.00

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

FULL-TIME EQUIVALENT SCHOOL DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Official/Administrative										
Asst. Principal	22	13	20	22	24	18	17	21	21	22
Principals	37	35	35	32	34	30	30	32	32	28
Superintendent	1	1	1	1	1	1	1	1	1	1
Supervisor/Manager	30	39	40	41	36	38	40	40	10	9
Treasurer	1	1	1	1	1	1	2	2	1	1
Coordinator	8	10	12	14	12	12	13	17	30	25
Director	5	11	10	11	11	18	16	16	38	32
Other Official/Administrative	5	5	4	4	3	4	5	5	2	6
Totals	<u>109</u>	<u>115</u>	<u>123</u>	<u>126</u>	<u>122</u>	<u>122</u>	<u>124</u>	<u>134</u>	<u>135</u>	<u>124</u>
Professional - Educational/Other										
Curriculum Specialist	57	38	48	67	66	23	22	24	5	0
Counseling	18	12	14	14	14	12	13	13	13	12
Librarian/Media	11	10	10	9	8	7	7	7	7	5
Remedial Specialist	0	5	29	23	29	18	5	7	9	17
Tutor/Small Group Instructor	21	37	7	0	0	29	29	31	8	3
Supplemental Service Teacher (Special Education)	0	36	77	66	60	40	45	48	66	50
General Education	687	640	586	610	614	574	586	654	575	544
Gifted and Talented	0	0	4	3	4	3	3	3	3	9
Preschool Special Education	0	0	29	33	33	32	32	32	36	42
Special Education	184	204	205	210	195	194	186	186	152	168
Career-Technical Programs/Pathways	33	41	38	24	23	23	22	22	24	26
Art Education K-8	0	0	27	24	23	22	24	24	33	30
Music Education K-8	0	0	38	39	36	24	21	21	27	26
Physical Education K-8	0	0	41	39	33	32	36	36	3	34
Other Professional	127	66	16	17	14	4	20	20	51	23
Psychologist	11	13	19	18	18	13	14	14	12	16
Registered Nursing	32	28	29	29	30	22	21	21	28	24
Speech and Language Therapist	19	18	19	17	20	19	17	17	13	12
Occupational Therapist	13	11	6	9	7	8	7	7	5	6
Educational Interpreter	22	19	18	16	16	13	12	12	13	14
Other Professional - Other	54	54	31	31	32	38	26	26	28	22
Totals	<u>1,289</u>	<u>1,232</u>	<u>1,291</u>	<u>1,298</u>	<u>1,275</u>	<u>1,150</u>	<u>1,148</u>	<u>1,225</u>	<u>1,111</u>	<u>1,083</u>
Technical/Office/Clerical										
Instructional Paraprofessional	0	17	264	296	283	236	232	234	258	235
Other Technical	14	12	13	14	13	8	12	12	4	4
Clerical	135	166	150	146	137	127	115	116	105	95
Teaching Aide	241	268	36	41	47	41	43	44	43	40
Other Office/Clerical	2	2	2	3	3	3	2	2	5	5
Totals	<u>392</u>	<u>465</u>	<u>465</u>	<u>500</u>	<u>483</u>	<u>415</u>	<u>404</u>	<u>408</u>	<u>415</u>	<u>379</u>
Crafts and Trades/Operative										
Mechanic	18	18	17	16	15	17	20	16	19	14
Other Crafts and Trades	39	41	38	40	38	38	36	36	35	35
Vehicle Operator (other than buses)	13	12	12	12	11	11	11	11	11	10
Vehicle Operator (buses)	183	206	199	215	203	181	156	156	161	166
Other Operative	12	9	9	9	9	9	8	8	4	1
Totals	<u>265</u>	<u>286</u>	<u>275</u>	<u>292</u>	<u>276</u>	<u>256</u>	<u>231</u>	<u>227</u>	<u>230</u>	<u>226</u>
Service Work/Laborer										
Custodian	151	150	146	145	127	117	114	115	115	101
Food Service	129	144	137	129	128	116	108	118	99	97
Guard/Watchman	19	20	23	24	24	26	25	22	31	28
Other Service Worker/Laborer	16	21	24	19	19	21	19	19	22	24
Totals	<u>315</u>	<u>335</u>	<u>330</u>	<u>317</u>	<u>298</u>	<u>280</u>	<u>266</u>	<u>274</u>	<u>267</u>	<u>250</u>
Totals	<u>2,370</u>	<u>2,433</u>	<u>2,484</u>	<u>2,533</u>	<u>2,454</u>	<u>2,223</u>	<u>2,173</u>	<u>2,268</u>	<u>2,158</u>	<u>2,062</u>

Source: Ohio Department of Education EMIS records

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**
TEACHER EDUCATION AND EXPERIENCE
JUNE 30, 2016

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	222	21.31%
Bachelor's + 18 Semester Hours of Graduate Credit	81	7.77
Master's Degree	586	56.24
Master's Degree + 30 Semester Hours of Graduate Credit	139	13.34
Doctorate Degree	<u>14</u>	<u>1.34</u>
Total	<u><u>1,042</u></u>	<u><u>100.00</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0-5	257	24.66
6-10	167	16.03
11-15	193	18.52
16 and Over	<u>425</u>	<u>40.79</u>
Total	<u><u>1,042</u></u>	<u><u>100.00%</u></u>

Source: Dayton City School District Human Resources Records

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

CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS

	2007	2008	2009	2010
School Buildings:				
Elementary (PK-8)				
Buildings	25	24	19	19
Square Feet	1,626,710	1,709,892	1,684,130	1,473,978
Capacity	12,319	11,881	12,144	10,338
Enrollment	10,243	10,379	10,146	9,612
Middle (a)				
Buildings	3	1	-	-
Square Feet	456,644	189,424	-	-
Capacity	2,912	937	-	-
Enrollment	1,781	667	-	-
High				
Buildings	5	6	4	4
Square Feet	1,024,461	1,135,725	1,024,448	714,815
Capacity	5,756	6,017	5,094	4,192
Enrollment	4,409	4,384	4,247	4,052
Other				
Buildings	3	5	11	9
Square Feet	197,391	259,066	197,391	779,764
Capacity	1,666	2,092	1,666	4,689
Enrollment	(b)	(b)	(b)	(b)
Administrative Building:				
Buildings	2	2	1	1
Square Feet	220,500	220,500	150,000	150,000
Service Buildings:				
Buildings	5	4	5	5
Square Feet	143,964	120,564	224,639	224,639
Transportation:				
Garages	1	1	1	1
Buses	231	226	237	239
Athletics:				
Facility	1	1	1	1
Football Fields	10	8	8	9
Soccer Fields	3	4	4	4
Running Tracks	6	6	6	6
Baseball/Softball Fields	10	5	8	9
Swimming Pools	1	1	-	-
Playgrounds	41	37	44	44
Tennis Courts	7	11	16	16

Source: Dayton City Schools Records

Notes:

- (a) These buildings are not used starting fiscal year 2009 due to the district's decision not to have separate middle schools. All the middle schools are closed. They merged the middle and the elementary schools together and formed PK-8 schools.
- (b) These buildings represent combination and alternative center. Enrollment for these buildings are included in the appropriate level above.

2011	2012	2013	2014	2015	2016
22	22	22	22	21	21
1,461,913	1,584,111	1,584,111	1,536,502	1,536,502	1,536,502
10,662	10,453	10,453	10,035	9,931	9,931
9,726	10,060	10,419	9,178	8,951	9,347
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4	4	4	6	6	6
986,583	514,184	923,077	923,077	923,077	923,077
5,119	2,910	4,708	4,708	4,708	4,708
4,114	4,087	3,460	4,160	4,192	4,165
3	4	2	1	1	1
220,282	558,675	149,782	98,934	98,934	98,934
1,248	3,046	1,248	919	919	919
334	1,964	297	178	207	209
1	1	1	1	1	1
150,000	150,000	150,000	150,000	150,000	150,000
6	4	4	4	4	4
191,474	106,399	106,399	106,399	106,399	106,399
1	1	1	1	1	1
223	225	216	200	196	196
1	1	1	1	1	1
10	11	11	11	11	11
4	6	6	6	6	6
6	7	7	7	7	7
17	21	21	21	21	21
-	-	-	-	-	-
44	48	48	48	48	48
16	23	23	23	23	23



Vision

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

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Dave Yost • Auditor of State

DAYTON CITY SCHOOL DISTRICT

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
FEBRUARY 2, 2017