



Dave Yost • Auditor of State

OHIO AUDITOR OF STATE **KEITH FABER**



March 7, 2019

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 14, 2019. Reports completed prior to that date contain the signature of my predecessor.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

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**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY
JUNE 30, 2018**

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**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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	\$2,245,080
National School Lunch Program	10.555	N/A	5,224,208
National School Lunch Program - Incentive	10.555	N/A	20,042
Direct Award			
National School Lunch Program - Cash in Lieu of Commodities	10.555	N/A	<u>583,454</u>
Total National School Lunch Program			<u>5,827,704</u>
<i>Passed Through Ohio Department of Education</i>			
Summer Food Service Program for Children	10.559	N/A	<u>194,480</u>
Total Child Nutrition Cluster			<u>8,267,264</u>
Fresh Fruit and Vegetable Program	10.582	N/A	335,106
Total U.S. Department of Agriculture			<u>8,602,370</u>
U. S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010	N/A	13,294,424
Special Education Cluster (IDEA):			
Special Education Grants to States	84.027	N/A	5,296,462
Special Education Preschool Grants	84.173	N/A	<u>95,284</u>
Total Special Education Grants (IDEA)			<u>5,391,746</u>
Career and Technical Education - Basic Grants to States	84.048	N/A	554,991
Education for Homeless Children and Youth	84.196	N/A	214,242
Twenty-First Century Community Learning Centers	84.287	N/A	169,587
English Language Acquisition State Grants	84.365	N/A	185,736
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	N/A	1,052,119
School Improvement Grants	84.377	N/A	1,743,017
Student Support and Academic Enrichment Program	84.424	N/A	33,844
Total U. S. Department of Education			<u>22,639,706</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed through Ohio Department of Jobs and Family Services</i>			
Refugee and Entrant Assistance Discretionary Grants	93.576	N/A	<u>49,768</u>
Total U. S. Department of Health and Human Services			<u>49,768</u>
Total Federal Awards Expenditures			<u>\$31,291,844</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, 2018**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Dayton City School District (the District's) under programs of the federal government for the year ended June 30, 2018. The information on this Schedule is prepared 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 Dayton City School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements, 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 Dayton City School District has elected to not use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - CHILD NUTRITION CLUSTER

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

NOTE D - MATCHING REQUIREMENTS

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

NOTE E - 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 2018 to 2019 programs:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amt. Transferred</u>
Title I Grants to Local Educational Agencies	84.010	\$ 1,184,352
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	\$ 509,874
English Language Acquisition State Grants	84.365	\$ 64,516
Student Support and Academic Enrichment Program	84.424	\$ 132,913
Special Education Preschool Grants	84.173	\$ 20,768
Special Education Grants to States	84.027	<u>\$ 666,227</u>
Totals		<u><u>\$ 2,578,650</u></u>



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, 2018, 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 28, 2018, wherein we noted that the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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 2018-001.

District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying corrective action plan. We did not subject the District's response to the auditing procedures applied in the audit of the financial statements 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 report is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

December 28, 2018



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, 2018. 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, 2018.

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 the Dayton City School District (the District) as of and for the year ended June 30, 2018, 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 28, 2018, wherein we noted the District adopted *Governmental Accounting Standards Board (GASB) Statement No. 75* during the year. 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 28, 2018

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**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2018**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	<p>Child Nutrition Cluster:</p> <p>School Breakfast Program (CFDA # 10.553)</p> <p>National School Lunch Program (CFDA #10.555)</p> <p>Summer Food Service Program for Children (CFDA 10.559)</p> <p>Special Education Cluster (IDEA):</p> <p>Special Education Grants to States (CFDA #84.027)</p> <p>Special Education Preschool Grants (CFDA #84.173)</p>
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 938,755 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

FINDING NUMBER 2018-001

NONCOMPLIANCE/ FINDING FOR RECOVERY

With \$102,031,146 in salaries and \$56,488,339 in fringe benefit expenditures, during 2018, payroll expenditures were the largest portion of the District's total cash expenditures of \$338,628,529. Sound internal controls over payroll expenditures are required for the District to prevent or timely detect errors, omissions or fraud from occurring. During 2018, the District's policy was to make advance payments on salaries for certain positions. Over the course of the school year, the advance payments were gradually reduced to zero as an employee earned their salaries during the year. The following two paraprofessionals received advance payments on August 10, 2017; however, they never reported to their respective Schools on August 14, 2017 to earn their salaries:

1. Yvonne Shackelford-Crane was paid \$880 and;
2. Mary McCarthy was paid \$1,028.

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 \$880 and \$1,028 is hereby issued against Yvonne Shackelford-Crane, and Mary McCarthy, respectively and in favor of Dayton City School District's General Fund.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure was made is strictly liable for the amount of the expenditure. *Seward v. National Surety Corp.*, 120 Ohio St. 47 (1929); 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code Section 9.39; *State ex rel. Village of Linndale v. Masten*, 18 Ohio St. 3d 228 (1985). Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen. Public officials will be liable if and to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property, 1980 Op. Att'y Gen. No. 80-074.

Hiwot Abraha, Treasurer, supervised the accounts from which the improper payments were made. Accordingly, a Finding for Recovery is hereby jointly and severally issued against Hiwot Abraha in the amount of \$1,908 and in favor of the Dayton City School District's General Fund. Hiwot Abraha's bonding company is the Ohio Casualty Insurance Company.

The Board should review its payroll procedures to determine if the District should switch from advance payments on payroll to a lag. This will reduce the risk of an employee being compensated before performing any work. Failure to implement these controls and procedures could result in additional overpayments and finding for recoveries in future audits.

Officials' Response:

See Corrective Action Plan on page 12.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.



115 S. Ludlow Street · Dayton OH 45402-1812
 Tel. (937) 542-3071 · Fax (937) 542-3179
 E-Mail: HiAbraha@dps.k12.oh.us

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
 2 CFR 200.511(b)
 JUNE 30, 2018**

Finding Number	Finding Summary	Status	Additional Information
2017-001	Ohio Revised Code § 117.28 – Public money illegally expended	Partially repaid	Christine Morris – No repayment made Daniel Gibson – Repaid \$290 out of \$1,008 Jeffery Smith – No repayment made Stacy Morgan – Settlement was made with approval from the Ohio Attorney General for \$5,000, which has been repaid.
2017-002	2 C.F.R. § 200.430 – Unallowable costs	Corrected	



115 S. Ludlow Street · Dayton OH 45402-1812
 Tel. (937) 542-3071 · Fax (937) 542-3179
 E-Mail: HiAbraha@dps.k12.oh.us

**CORRECTIVE ACTION PLAN
 2 CFR § 200.511(c)
 JUNE 30, 2018**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2018-001	The District is currently in the process of implementing time clocks at all the District's buildings. Once implemented, these time clocks will provide accurate attendance information in which every employee of the District will have to clock in to indicate when he or she is present at a school building.	June 30, 2019	Tito Reynolds, Assistant Treasurer



**Dayton City School District
Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2018**



COMPREHENSIVE
ANNUAL FINANCIAL REPORT
of the
DAYTON CITY SCHOOL DISTRICT
for the
FISCAL YEAR ENDED JUNE 30, 2018

Prepared by

TREASURER'S OFFICE

Hiwot Abraha
Treasurer and Chief Financial Officer



115 South Ludlow Street
Dayton, Ohio 45402

June 30, 2018



William E. Harris, Jr.
President



John S. McManus, Esq.
Vice President



Mohamed Al-Hamdani
Board Member



Jocelyn Spencer Rhynard
Board Member



Shelia Taylor
Board Member



Robert C. Walker, D. Min
Board Member



Karen Wick-Gagnet
Board Member



Elizabeth J. Lolli, Ph.D.
Superintendent



Hiwot Abraha
Treasurer/CFO

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2018**

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**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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MONTGOMERY COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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MONTGOMERY COUNTY, OHIO
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PUBLIC SCHOOLS
115 S. Ludlow Street · Dayton OH 45402-1812

Elizabeth J. Lolli, Ph.D.
Superintendent

Hiwot Abraha
Treasurer/CFO

December 28, 2018

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, 2018. 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, 2018. 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 2017-2018 school year, the School District was the 12th largest school district in the State of Ohio with 13,221 enrolled students.

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. William E. Harris	President	12/31/2021	11/01/2017
John McManus	Vice President	12/31/2019	01/01/2016
Mohamed Al-Hamdani	Member	12/31/2021	01/01/2018
Jocelyn Spencer-Rhynard	Member	12/31/2021	01/01/2018
Shelia Taylor	Member	12/31/2019	01/01/2008
Dr. Robert C. Walker	Member	12/31/2019	01/01/2011
Karen Wick-Gagnet	Member	12/31/2021	01/01/2018

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. Rhonda Corr was appointed as the Superintendent on July 1, 2016 and resigned on November 2017. Dr. Elizabeth Lolli was appointed as the Superintendent effective November 20, 2017 and her current contract runs through July 31, 2021.

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. Mrs. Hiwot Abraha was appointed as the Treasurer/CFO effective August 1, 2016, and her current contract runs through July 31, 2020.

Employee Relations and Benefits

The School District currently has 1,027 certificated employees (psychologists, teachers, reserve teachers, and administrators) and 1,013 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 2,040 full and part-time employees.

List of Employment Contracts and Expiration

Union	# of Employees	Expiration Date
Dayton Education Association	1,027	6/30/2019
<u>DPSU</u>		
Local 101 – Operations	228	6/30/2020
Local 101 – Security Resource Officers	25	6/30/2020
<u>OAPSE</u>		
Local 156 – Mechanics	6	6/30/2020
Local 158 – Clericals	92	6/30/2020
Local 191 – Lead Child Care Teachers/Mental Health Teachers/Occup. Therapist Assts./Physical Therapist Assts.	4	6/30/2020
Local 627 – Bus Drivers	152	6/30/2020
Local 643 – Paraprofessionals	247	6/30/2020
Local 766 – Dayton Education Interpreters	12	6/30/2020
Local 766B – Psychologists	13	6/30/2020
<u>BUILDING/TRADES</u>		
Dayton Bldg. & Const. Trades	32	6/30/2020

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 self-funded health insurance coverage utilizing Anthem BlueCross BlueShield Insurance Company 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 and Vision insurance is provided to eligible employees. Dental is administered by Superior Dental and Vision is administered by EyeMed on a premium based policy.

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 28,000 military and civilian employees. The Base is headquarters for the Aeronautical Systems Center (ASC) – the foremost aeronautical acquisition center in the U.S. Air Force.

It is estimated that 40,000 jobs have been added to the region since 2011. Of those jobs added to the region, most were in Education, Health Services, Government and Manufacturing

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 employs 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 was completed in June 2017. The hospital currently employees approximately 3,000 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 States.

Demand for downtown housing has increased. 332 housing units have been built since 2010. Housing in the region is steady in general. Real estate has increase in both, the number of homes sold and the sales price. Downtown investment has spurred an increase in independent businesses and storefronts, which has increased the desire for downtown living.

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 annually prepares a five-year financial forecast to ensure long-term financial success. The five-year financial forecast is prepared and approved by the Board in October and May of each fiscal year. The five-year financial forecast provides actual data on each major revenue and expenditure category for the past three fiscal years and forecasts these same categories for an additional five fiscal years. The five-year financial forecast is a planning tool used to certify if funds are available for future expenditures and additionally to strategize when the School District will need to return to voters for additional funds or reduce expenditures accordingly. The five-year financial forecast is published on the Ohio Department of Education's website for public use.

MAJOR INITIATIVES

The Dayton Board of Education engaged in a strategic goal setting process in September. Through the leadership of a local strategic consultant, the Board created 5 School District goals with metrics. 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 refine 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

The Dayton Way was created by a joint committee of administrators, teachers, union officials and central office staff in 2018. The values identified include Curriculum, Instruction, Professionalism, Culture, Customer Service, and Engagement. The student is at the center of the values and beliefs. With each of the values subcategories are identified to further explain each value.

Five Strategic Goals:

Goal 1 – Academic Achievement

- ☞ Increase student learning as measured in a variety of ways (State Report card, graduation rates, etc.)
- ☞ Design high quality college/career readiness opportunities K-12
- ☞ Provide Social/Emotional resources for students, parents, families
- ☞ Develop plan for integration of technology in high quality learning experiences
- ☞ Strengthen resources for diverse populations
- ☞ Improve attendance for students, teachers and staff to increase learning

Goal 2 - Financial

- ☞ Align spending patterns with the Ohio 8
- ☞ Keep district operating fund balance positive for the next 3 years

Goal 3 – Organizational Excellence

- ☞ Improve customer service
- ☞ Improve Culture and Climate for all
- ☞ Review and reduce disparity in discipline practices
- ☞ Increase enrollment through recruitment efforts
- ☞ Create a Facilities Improvement Plan (long term repairs, short term repairs)
- ☞ Diversify our workforce to reflect student demographics
- ☞ Review current Rightsizing Plan and determine next steps

Goal 4 – Enhance and Promote Partnerships

- ☞ Parents
- ☞ Businesses
- ☞ Community
- ☞ Staff/Unions
- ☞ Universities
- ☞ Develop a variety of actions to engage partners

Goal 5 – Leadership Development

- ☞ Create Board development and training plan, strategic plan for Board
- ☞ Design program to grow students into teachers for DPS
- ☞ Develop a leadership mentoring program for all leadership positions

☞ Create pipeline in the district to train future principals

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 2016-2019. Additionally, the District Leadership Team has taken Goal 1 (academic achievement) and Goal 3 (Organizational Excellence) from the strategic plan and developed strategies and action steps that each building will use to meet the two goals.

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 has changed 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 2018-19. 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
- College Credit Plus Enrollment
- 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 had 7 schools that earned a C or D comprehensive rating on the 2017-18 report card. Other areas on the report card also indicated grades of B’s, C’s and D’s.

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 School District exercised the first two year option.

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 Powerschool education 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. For twenty five 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, 2017. 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 2017 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.

Independent Audit Report

Included in this report is the unmodified opinion rendered on the School District's basic financial statements as of and for the year ended June 30, 2018 by State of Ohio Auditor's Office. An annual independent audit of the School District's financial statements is a requirement of Ohio statute, as well as an integral part of the annual preparation of a CAFR.

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.



Dr/Elizabeth Loli
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, 2017

Christopher P. Morrill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Dayton City School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

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



Charles E. Peterson, Jr.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

John D. Musso

John D. Musso, CAE
Executive Director

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

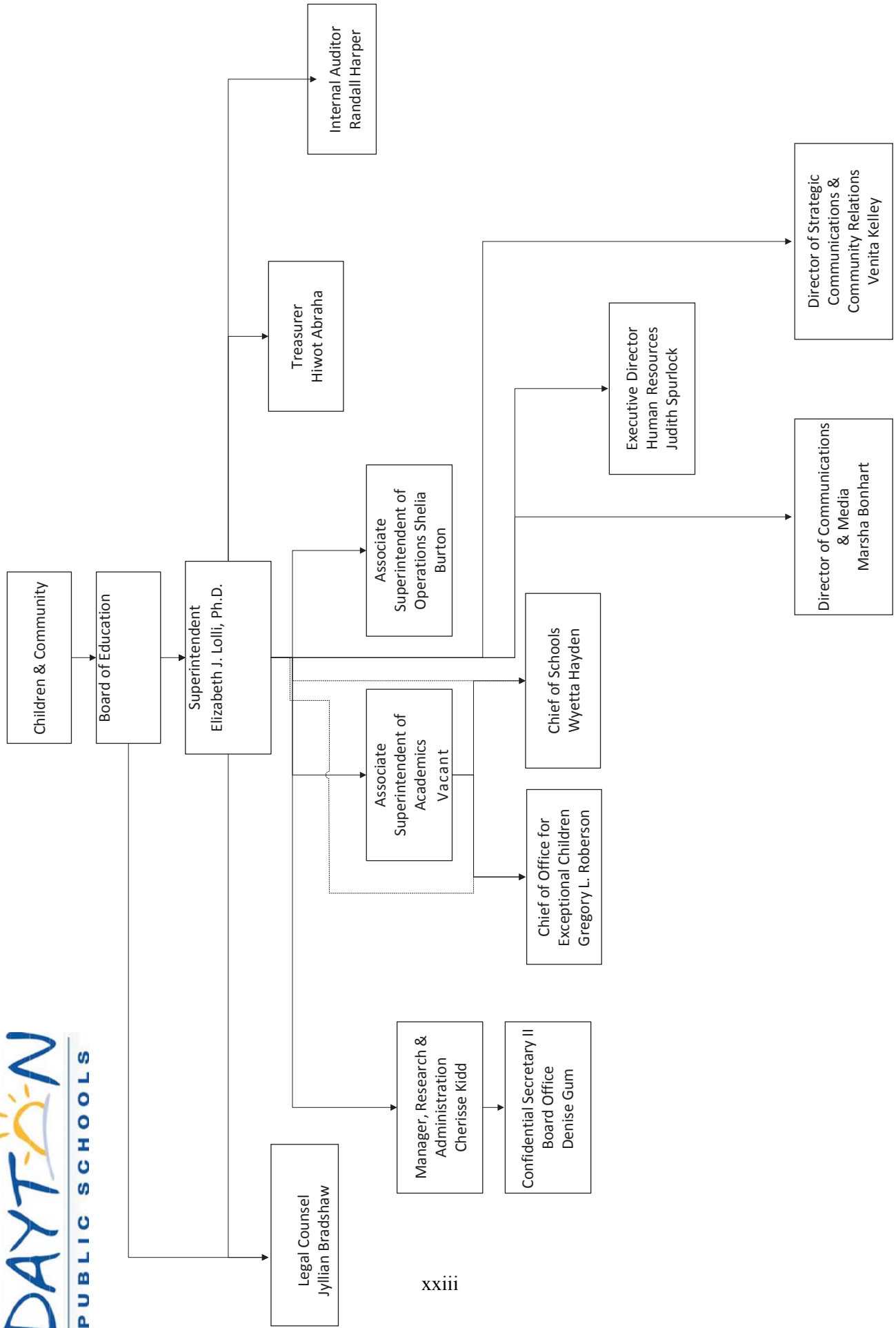
**BOARD MEMBERS-ELECTED OFFICIALS
JUNE 30, 2018**

<u>Name</u>	<u>Began Service as a Board Member</u>	<u>Term Expires December 31</u>
Dr. William E Harris, Jr., President	2017	2021
John S. McManus, Vice President	2016	2019
Mohamed Al-Hamdani	2018	2021
Jocelyn Spencer-Rhynard	2018	2021
Shelia Taylor	2008	2019
Dr. Robert C. Walker	2011	2019
Karen Wick-Gagnet	2018	2021

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

**CABINET MEMBERS
JUNE 30, 2018**

Elizabeth Lolli	Superintendent
Hiwot Abraha	Treasurer
Tito Reynolds	Assistant Treasurer
Shelia Burton	Associate Superintendent Student Services
Vacant	Assistant Superintendent for Teaching and Learning
Carolyn Mack	Chief of Curriculum, Instruction and Professional Development
Wyetta Hayden	Chief of Schools, Elementary
Erin Dooley	Chief of Schools, Secondary
Jyllian Bradshaw	Legal and Labor Relations Counsel
Judith Spurlock	Executive Director, Human Resources
Cherisse Kidd	Administrative Assistant to the Superintendent



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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Dayton City School District
Montgomery County
115 South Ludlow Street
Dayton, Ohio 45402-1812

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, 2018, 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 such 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2018, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit 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 this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical 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 28, 2018, 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 initial "D".

Dave Yost
Auditor of State
Columbus, Ohio

December 28, 2018

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DAYTON CITY SCHOOL DISTRICT
Montgomery County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
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, 2018. 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 2018 are as follows:

Overall:

- Total net position increased \$114.5 million, which represented a 116.8 percent increase from fiscal year 2017.
- Total assets of governmental activities increased by \$14 million from those reported at June 30, 2017. The primary factor of the increase is due to the increase in cash received from state revenues and property and other local taxes.
- General revenues accounted for \$253.0 million or 79.8 percent of total revenue. Program specific revenues in the form of charges for services, sales, and operating grants and contributions account for \$64.2 million or 20.2 percent of total revenues of \$317.2 million.
- The General Fund reported a fund balance of \$69.8 million at June 30, 2018, compared to \$52.8 million reported in fiscal year 2017.

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.

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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 2018?" 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
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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 \$212.4 million at June 30, 2018.

Table 1 provides a summary of the School District's net position for fiscal year 2018 compared to fiscal year 2017:

TABLE 1
 Net Position (in 000's)

	2018	Restated 2017	Change
<i>Assets:</i>			
Current and other Assets	\$295,577	\$281,246	\$14,331
Capital Assets	414,857	415,014	(157)
Total Assets	<u>710,434</u>	<u>696,260</u>	<u>14,174</u>
<i>Deferred Outflows of Resources:</i>			
Deferred Charge on Refunding	14,423	15,516	(1,093)
Pension	63,745	51,972	11,773
OPEB	2,976	457	2,519
Total Deferred Outflows of Resources	<u>81,144</u>	<u>67,945</u>	<u>13,199</u>

(continued)

DAYTON CITY SCHOOL DISTRICT
Montgomery County, Ohio
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TABLE 1
Net Position (in 000's)
(Continued)

	2018	Restated 2017	Change
<i>Liabilities:</i>			
Current and Other Liabilities	19,705	18,331	1,374
Long-Term Liabilities			
Net Pension Liability	216,690	286,460	(69,770)
Net OPEB Liability	54,029	64,290	(10,261)
Other Liability	194,123	208,939	(14,816)
Total Liabilities	<u>484,547</u>	<u>578,020</u>	<u>(93,473)</u>
<i>Deferred Inflows of Resources:</i>			
Property and Other Local Taxes	70,326	72,991	(2,665)
Pension	17,906	15,220	2,686
OPEB	6,350	0	6,350
Total Deferred Inflows of Resources	<u>94,582</u>	<u>88,211</u>	<u>6,371</u>
<i>Net Position:</i>			
Net Investment in Capital Assets	242,809	236,749	6,060
Restricted	61,750	56,256	5,494
Unrestricted (Deficit)	(92,110)	(195,031)	102,921
Total Net Position	<u>\$212,449</u>	<u>\$97,974</u>	<u>\$114,475</u>

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the School District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). 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 OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the School District's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this 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 these liabilities. 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 Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as 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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

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As a result of implementing GASB 75, the School District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, from \$161,807,149 to \$97,974,429.

Total assets of the School District at June 30, 2018 were \$710.4 million, compared with \$696.3 million reported for the prior fiscal year. Current and other assets increased \$14.3 million mainly due to an increase in cash and cash equivalents of \$24.2 million.

Total liabilities decreased \$93.5 million compared with those reported the prior fiscal year. Other long-term liabilities decreased \$14.8 million due to scheduled debt payments being made which was offset by a decrease of \$69.8 million in net pension liability and an decrease of \$10.3 in the net OPEB liability.

Total net position reported at June 30, 2018, is \$114.5 million more than the net position reported in the prior fiscal year primarily due to the change in assumptions by STRS.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2018 and 2017.

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)

	2018	2017	Change
Revenues			
Program Revenues:			
Charges for Services and Sales	\$3,707	\$4,071	(\$364)
Operating Grants and Contributions	60,480	57,363	3,117
Total Program Revenues	<u>64,187</u>	<u>61,434</u>	<u>2,753</u>
General Revenues:			
Property and Other Local Taxes	71,919	81,422	(9,503)
Grants and Entitlements	174,287	175,259	(972)
Investment Earnings	902	433	469
Gain on Sale of Capital Assets	1	473	(472)
Miscellaneous	5,912	2,690	3,222
Total General Revenues	<u>253,021</u>	<u>260,277</u>	<u>(7,256)</u>
Total Revenues	<u>\$317,208</u>	<u>\$321,711</u>	<u>(\$4,503)</u>

continued

DAYTON CITY SCHOOL DISTRICT
 Montgomery County, Ohio
 Management's Discussion and Analysis
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 Unaudited

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

	2018	2017	Change
Program Expenses			
Instruction	\$117,996	\$181,470	(\$63,474)
Support Services:			
Pupils and Instructional Staff	8,964	19,772	(10,808)
Board of Education, Administration, Fiscal and Business	11,615	20,001	(8,386)
Operation and Maintenance of Plant	17,113	19,574	(2,461)
Pupil Transportation	12,351	14,329	(1,978)
Central	8,138	9,690	(1,552)
Non-Instructional Services	10,077	10,440	(363)
Extracurricular Activities	1,814	2,356	(542)
Interest and Fiscal Charges	6,257	6,331	(74)
Unallocated Depreciation	8,408	8,410	(2)
Total Expenses	<u>202,733</u>	<u>292,373</u>	<u>(89,640)</u>
Change in Net Position	114,475	29,338	85,137
Net Position at Beginning of Year - Restated	97,974	N/A	
Net Position at End of Year	<u>\$212,449</u>	<u>\$97,974</u>	<u>\$114,475</u>

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$457,167 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$5,812,232. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

	(in 000's)
Total 2018 program expenses under GASB 75	<u>\$202,733</u>
Negative OPEB expense under GASB 75	5,812
2018 contractually required contribution	618
Adjusted 2018 program expenses	<u>209,163</u>
Total 2017 program expenses under GASB 45	<u>292,373</u>
Decrease in program expenses not related to OPEB	<u>(\$83,210)</u>

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The largest component of the decrease in program expenses results from changes in assumptions and benefit terms related to pensions. STRS adopted certain assumption changes, including a reduction in their discount rate, and also voted to suspend cost of living adjustments (COLA). SERS decreased their COLA assumption. (See Note 11) As a result of these changes, pension expense decreased from \$19,301,149 in fiscal year 2017 to a negative pension expense of \$64,233,806 for fiscal year 2018. The allocation of the fiscal year 2018 negative pension expense to program expenses is as follows:

Program Expenses	2018 Program Expenses Related to Negative Pension Expense
Instruction:	
Regular	(\$31,685,459)
Special	(11,965,836)
Vocational	(1,647,724)
Support Services:	
Pupils	(5,829,280)
Instructional Staff	(4,358,621)
Board of Education	(6,815)
Administration	(5,770,611)
Fiscal	(144,929)
Business	(114,546)
Operation and Maintenance of Plant	(1,085,341)
Pupil Transportation	(443,118)
Central	(519,224)
Operation of Non-Instructional Services:	
Food Service Operations	(160,022)
Community Services	(181,503)
Extracurricular Activities	(320,777)
Total Expenses	(\$64,233,806)

Governmental Activities

For fiscal year 2018, total net position increased \$114.5 million which was a large increase of 116.8 percent. Total expenses reported for fiscal year 2018 were \$202.7 million or \$89.6 million less than those reported for the prior fiscal year. This decrease is due to the change in assumptions by the pension systems.

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Montgomery County, Ohio
Management's Discussion and Analysis
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Unaudited

As noted in Table 2, the School District remains heavily dependent upon general intergovernmental revenues. Approximately 68.9 percent of the School District's general revenues are received from intergovernmental sources, primarily State foundation revenue. Operating Grants and Contributions increased \$3.1 million. This increase is related to an increase in State and federal grants as well as State foundation. Property and other local tax revenue decreased due to the phase out of tangible personal property deregulation.

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 2018, as compared to those recorded in fiscal year 2017. 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)

	2018		2017	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$117,996	\$82,255	\$181,470	\$140,923
Support Services:				
Pupils and Instructional Staff	8,964	838	19,772	15,557
Board of Education, Administration, Fiscal and Business	11,615	10,632	20,001	19,222
Operation and Maintenance of Plant	17,113	16,808	19,574	19,066
Pupil Transportation	12,351	6,810	14,329	12,610
Central	8,138	8,091	9,690	9,638
Non-Instructional Services	10,077	(2,885)	10,440	(2,659)
Extracurricular Activities	1,814	1,333	2,356	1,840
Interest and Fiscal Charges	6,257	6,257	6,331	6,331
Unallocated Depreciation	8,408	8,408	8,410	8,410
Total Expenses	<u>\$202,733</u>	<u>\$138,547</u>	<u>\$292,373</u>	<u>\$230,938</u>

Table 3 shows an \$89.6 million decrease in total cost of service for fiscal year 2018 as compared to the prior fiscal year. This decrease is related to the change in assumptions by the pension systems.

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.

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Montgomery County, Ohio
Management's Discussion and Analysis
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Unaudited

Total ending fund balance reported for governmental funds at June 30, 2018 was \$115.6 million, a \$19.9 million increase compared with the prior fiscal year.

The General Fund is the operating fund of the School District. At June 30, 2018, the ending fund balance of the General Fund was \$69.8 million compared to \$52.8 million in the prior fiscal year.

The \$17.0 million increase in the fund balance of the General Fund resulted from an increase in foundation payments received from the State and increased property tax collections during fiscal year 2018 compared to 2017. Expenditures increased due to the purchase of 115 buses during the fiscal year.

The Bond Retirement Debt Service Fund had an ending balance of \$8.0 million. Revenues of \$19.1 million were sufficient to cover the \$17.0 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 2018, 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 \$5.6 million over the original budgeted revenue. Actual revenues were \$893 less than the final budgeted revenues.

Final budgeted expenditures decreased \$1.1 million from original appropriations. This is an immaterial decrease of less than .4 percent. The actual expenditures were \$20.6 million less than the final budgeted appropriations. This decrease is related to the reduction in force of certain administrative positions and the School District reorganizing/consolidating functions due to the trend of decreased student enrollment affecting the School District.

Capital Assets

At the end of fiscal year 2018, the School District had \$532.4 million invested in land, buildings and improvements, furniture, fixtures and equipment, and vehicles in governmental activities and \$117.5 million of accumulated depreciation, resulting in net capital assets of \$414.9 million.

DAYTON CITY SCHOOL DISTRICT
 Montgomery County, Ohio
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2018
 Unaudited

Table 4 shows fiscal year 2018 balances compared to those of fiscal year 2017:

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

	2018	2017
Land	\$8,515	\$8,719
Buildings and Improvements	482,725	482,724
Furniture and Equipment	12,479	11,836
Vehicles	28,686	19,533
Less: Accumulated Depreciation	(117,547)	(107,798)
Total Capital Assets	\$414,858	\$415,014

Overall, net capital assets decreased insignificantly from fiscal year 2018. 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 2018, the School District had \$186.4 million of outstanding long-term debt obligations, of which \$12.5 million is due within one year. Significant elements of the School District's outstanding long-term debt obligations outstanding at June 30, 2018 include:

- \$174.2 million in outstanding general obligation bonds, and related unamortized bond premiums, with \$13.8 million of principal payments and premium amortization made during the fiscal year 2018.
- \$12.2 million of certificates of participation and related unamortized note premium, which were originally issued to finance the purchase of the School District's administrative office building as well as additional office space.

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

Contacting the School District's Financial Management

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

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$159,353,328
Cash and Cash Equivalents with Fiscal Agent	752,730
Receivables:	
Property and Other Local Taxes	125,222,701
Intergovernmental	9,316,342
Accrued Interest	196,931
Prepaid Items	734,497
Capital Assets:	
Non-Depreciable	8,514,630
Depreciable, Net of Accumulated Depreciation	406,342,877
Total Assets	710,434,036
Deferred Outflows of Resources:	
Deferred Charge on Refunding	14,422,912
Pension	63,745,053
OPEB	2,976,189
Total Deferred Outflows of Resources	81,144,154
Liabilities:	
Accounts Payable	3,367,660
Accrued Wages and Benefits Payable	10,767,007
Intergovernmental Payable	3,141,509
Accrued Interest Payable	1,268,506
Accrued Vacation Leave Payable	1,051,843
Matured Compensated Absences Payable	108,250
Long Term Liabilities:	
Due Within One Year	15,964,555
Due in More Than One Year:	
Net Pension Liability - See Note 11	216,690,353
Net OPEB Liability - See Note 12	54,028,872
Other Liabilities	178,158,413
Total Liabilities	484,546,968
Deferred Inflows of Resources:	
Property and Other Local Taxes	70,325,974
Pension	17,906,654
OPEB	6,350,001
Total Deferred Inflows of Resources	94,582,629
Net Position:	
Net Investment in Capital Assets	242,808,766
Restricted for:	
Debt Service	17,173,940
Permanent Improvements	18,219,353
Food Service Operations	14,394,691
Special Trust	202,875
District Managed Student Activities	372,746
Maintenance of Classroom Facilities	4,722,213
State and Federal Grants	6,664,194
Unrestricted (Deficit)	(92,110,185)
Total Net Position	\$212,448,593

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, 2018

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services & Sales	Operating Grants, Interest and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$92,590,073	\$2,134,411	\$4,366,145	(\$86,089,517)
Special	24,029,549	275	27,185,922	3,156,648
Vocational	1,347,309	0	2,053,449	706,140
Student Intervention Services	28,860	0	0	(28,860)
Support Services:				
Pupils	6,008,790	0	1,680,152	(4,328,638)
Instructional Staff	2,955,426	852	6,445,178	3,490,604
Board of Education	1,107,324	0	0	(1,107,324)
Administration	5,109,631	0	591,118	(4,518,513)
Fiscal	3,779,848	0	392,218	(3,387,630)
Business	1,618,272	0	0	(1,618,272)
Operation and Maintenance of Plant	17,113,013	304,682	0	(16,808,331)
Pupil Transportation	12,351,449	0	5,541,631	(6,809,818)
Central	8,137,747	0	46,934	(8,090,813)
Operation of Non-Instructional Services	10,076,820	785,329	12,176,768	2,885,277
Extracurricular Activities	1,814,314	481,499	0	(1,332,815)
Debt Service:				
Interest and Fiscal Charges	6,256,805	0	0	(6,256,805)
Unallocated Building Depreciation	8,408,373	0	0	(8,408,373)
Total Governmental Activities	\$202,733,603	\$3,707,048	\$60,479,515	(138,547,040)

General Revenues:	
Property Taxes Levied For:	
General Purposes	58,433,293
Debt Service	12,299,681
Capital Projects	593,273
Other Purposes	593,273
Grants and Entitlements not Restricted to	
Specific Programs	174,286,715
Investment Earnings	901,965
Gain on Sale of Capital Assets	589
Miscellaneous	5,912,415
Total General Revenues	253,021,204
Changes in Net Position	114,474,164
Net Position at Beginning of Year, Restated - See Note 3	97,974,429
Net Position at End of Year	\$212,448,593

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	Bond Retirement Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$78,713,025	\$7,320,848	\$39,289,779	\$125,323,652
Cash and Cash Equivalents with Fiscal Agent	0	0	752,730	752,730
<u>Receivables:</u>				
Property and Other Local Taxes	99,138,215	24,000,272	2,084,214	125,222,701
Intergovernmental		0	9,316,342	9,316,342
Accrued Interest	182,102	0	14,829	196,931
Interfund Receivable	1,946,947	0	0	1,946,947
<u>Restricted Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	134,406	0	0	134,406
Total Assets	\$180,114,695	\$31,321,120	\$51,457,894	\$262,893,709
<u>Liabilities:</u>				
Accounts Payable	\$1,978,415	\$0	\$1,364,553	\$3,342,968
Accrued Wages and Benefits Payable	9,433,912	0	1,328,723	10,762,635
Intergovernmental Payable	2,623,333	0	516,177	3,139,510
Interfund Payable	0	0	1,946,947	1,946,947
Matured Compensated Absences Payable	101,846	0	6,404	108,250
Total Liabilities	14,137,506	0	5,162,804	19,300,310
<u>Deferred Inflows of Resources:</u>				
Property and Other Local Taxes	56,328,186	12,878,674	1,119,114	70,325,974
Unavailable Revenue	39,864,992	10,378,498	7,460,167	57,703,657
Total Deferred Inflows of Resources	96,193,178	23,257,172	8,579,281	128,029,631
<u>Fund Balances:</u>				
Nonspendable	134,406	0	0	134,406
Restricted	0	8,063,948	38,469,581	46,533,529
Committed	895,329	0	0	895,329
Assigned	27,482,522	0	0	27,482,522
Unassigned (Deficit)	41,271,754	0	(753,772)	40,517,982
Total Fund Balances	69,784,011	8,063,948	37,715,809	115,563,768
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$180,114,695	\$31,321,120	\$51,457,894	\$262,893,709

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, 2018

Total Governmental Fund Balances:		\$115,563,768
<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.		414,857,507
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds:		
Delinquent Property Taxes	51,144,096	
State and Federal Grants	6,559,561	
Total	57,703,657	57,703,657
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	31,296,631	
Compensated Absences	11,672	
Accrued Vacation Leave Payable	4,067	
Claims Payable	3,286,334	
Total	34,598,704	34,598,704
In the Statement of Net Position, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due.		(1,268,506)
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	63,745,053	
Deferred Outflows - OPEB	2,976,189	
Deferred Inflows - Pension	(17,906,654)	
Deferred Inflows - OPEB	(6,350,001)	
Net Pension Liability	(216,690,353)	
Net OPEB Liability	(54,028,872)	
	(228,254,638)	(228,254,638)
Vacation benefits payable is not expected to be paid with expendable available financial resources and therefore is not reported in the funds.		(1,051,843)
Deferred Outflows of Resources represent deferred charges on refundings which do not provide current financial resources and therefore are not reported in the funds.		14,422,912
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
General Obligation Bonds	(153,520,052)	
Premium	(21,121,601)	
Certificates of Participation	(11,830,000)	
Compensated Absences	(4,364,981)	
Claims Payable	(3,286,334)	
Total	(194,122,968)	(194,122,968)
Net Position of Governmental Activities		\$212,448,593

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, 2018

	General Fund	Bond Retirement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property and Other Local Taxes	\$61,039,103	\$15,535,925	\$1,205,822	\$77,780,850
Intergovernmental	197,407,062	3,610,050	35,189,597	236,206,709
Investment Earnings	629,373	0	279,133	908,506
Tuition and Fees	2,019,037	0	0	2,019,037
Rent	78,994	0	0	78,994
Gifts and Donations	0	0	8,550	8,550
Customer Sales and Services	126,520	0	785,329	911,849
Extracurricular Activities	110,394	0	586,774	697,168
Miscellaneous	5,781,455	600	130,360	5,912,415
Total Revenues	267,191,938	19,146,575	38,185,565	324,524,078
Expenditures:				
Current:				
Instruction:				
Regular	128,228,414	0	78,850	128,307,264
Special	31,614,267	0	8,140,582	39,754,849
Vocational	3,086,237	0	504,027	3,590,264
Student Intervention Services	28,860	0	0	28,860
Other	985,960	0	4,887,945	5,873,905
Support Services:				
Pupils	11,806,005	0	2,174,575	13,980,580
Instructional Staff	3,032,411	0	5,545,460	8,577,871
Board of Education	1,063,627	0	0	1,063,627
Administration	12,699,547	0	631,583	13,331,130
Fiscal	3,214,124	287,658	593,056	4,094,838
Business	1,894,896	0	0	1,894,896
Operation and Maintenance of Plant	18,877,297	0	1,165,937	20,043,234
Pupil Transportation	21,714,113	0	329,746	22,043,859
Central	8,972,947	0	97,449	9,070,396
Operation of Non-Instructional Services	0	0	11,165,127	11,165,127
Extracurricular Activities	1,824,565	0	424,074	2,248,639
Debt Service:				
Principal Retirement	1,050,703	9,570,000	1,290,000	11,910,703
Interest and Fiscal Charges	143,570	7,122,700	613,713	7,879,983
Total Expenditures	250,237,543	16,980,358	37,642,124	304,860,025
Excess of Revenues (Over) Expenditures	16,954,395	2,166,217	543,441	19,664,053
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	205,324	0	0	205,324
Transfers In	0	0	200,000	200,000
Transfers Out	(200,000)	0	0	(200,000)
Total Other Financing Sources (Uses)	5,324	0	200,000	205,324
Net Change in Fund Balance	16,959,719	2,166,217	743,441	19,869,377
Fund Balance at Beginning of Year	52,824,292	5,897,731	36,972,368	95,694,391
Fund Balance at End of Year	\$69,784,011	\$8,063,948	\$37,715,809	\$115,563,768

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, 2018

Net Change in Fund Balances - Total Governmental Funds \$19,869,377

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	10,578,451	
Current Year Depreciation	<u>(10,530,641)</u>	
Total		47,810

The proceeds from the sale of capital assets are reported as revenue in the governmental funds. However, the cost of capital assets is removed from the capital assets account in the Statement of Net Position and offset against the proceeds from the sale of capital assets resulting in a gain or loss on the sale of capital assets in the Statement of Activities.

Proceeds from Sale of Capital Assets	(205,324)	
Gain on sale of capital assets	<u>589</u>	
Total		(204,735)

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

Delinquent Property Taxes	(5,861,330)	
State and Federal Grants	<u>(1,455,570)</u>	
Total		(7,316,900)

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	87,413	
Amortization of Premium on Bonds	2,591,930	
Amortization of Premium on Certificate of Participation	36,963	
Amortization of Deferred Charge on Refunding	<u>(1,093,128)</u>	
Total		1,623,178

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	11,235,703	
Refunding Certificate of Participation Principal Payments	<u>675,000</u>	
Total		11,910,703

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	(186,442)	
Claims Payable	463,152	
Vacation Payable	<u>141,234</u>	
Total		\$417,944

(continued)

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
Continued

Contractually required contributions are reported as expenditures in governmental funds;
however, the Statement of Net Position reports these amounts as deferred outflows.

Pension	\$14,621,896	
OPEB	617,804	
Total	15,239,700	15,239,700

Except for amounts reported as deferred inflows/outflows, changes in the net pension
liability are reported as pension expense in the Statement of Activities.

Pension	64,233,806	
OPEB	5,812,232	
Total	70,046,038	70,046,038

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	3,304,254	
Claims Payable	(463,152)	
Compensated Absences Payable	486	
Vacation Leave Payable	(539)	
	2,841,049	2,841,049

Change in Net Position of Governmental Activities

\$114,474,164

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property and Other Local Taxes	\$60,063,790	\$61,422,025	\$61,422,025	\$0
Intergovernmental	195,999,565	197,540,144	197,536,115	(4,029)
Investment Earnings	449,566	1,087,656	1,087,656	0
Tuition and Fees	1,964,736	2,016,111	2,016,700	589
Rent	424,606	79,606	79,134	(472)
Customer Sales and Services	0	3,000	2,714	(286)
Miscellaneous	3,491,296	5,798,710	5,802,015	3,305
Total Revenues	262,393,559	267,947,252	267,946,359	(893)
Expenditures:				
Current:				
Instruction:				
Regular	134,074,069	136,416,770	128,965,903	7,450,867
Special	33,843,924	36,082,528	31,734,509	4,348,019
Vocational	3,758,369	3,758,402	3,122,132	636,270
Student Intervention Services	30,890	69,104	68,873	231
Other	1,119,440	1,119,440	1,067,975	51,465
Support Services:				
Pupils	13,691,661	13,728,029	12,094,308	1,633,721
Instructional Staff	3,602,527	3,914,808	3,114,458	800,350
Board of Education	3,305,052	1,563,685	1,537,188	26,497
Administration	13,619,156	13,339,142	12,804,352	534,790
Fiscal	4,526,070	3,824,707	3,223,053	601,654
Business	2,370,459	2,394,824	1,988,528	406,296
Operation and Maintenance of Plant	21,721,803	21,545,914	19,595,724	1,950,190
Pupil Transportation	14,480,962	14,125,504	13,074,543	1,050,961
Central	11,795,276	9,743,716	8,860,296	883,420
Extracurricular Activities	2,045,661	2,107,513	1,869,969	237,544
Principal Retirement	2,000,000	1,195,320	1,194,273	1,047
Total Expenditures	265,985,319	264,929,406	244,316,084	20,613,322
Excess of Revenues Over (Under) Expenditures	(3,591,760)	3,017,846	23,630,275	20,612,429
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	40,000	206,000	205,324	(676)
Refund of Prior Year Expenditures	0	43,425	44,995	1,570
Advances In	825,000	2,451,145	2,451,145	0
Advances Out	(825,000)	(3,438,789)	(3,438,789)	0
Total Other Financing Sources (Uses)	40,000	(738,219)	(737,325)	894
Net Change in Fund Balance	(3,551,760)	2,279,627	22,892,950	20,613,323
Fund Balance at Beginning of Year	45,273,964	45,273,964	45,273,964	0
Prior Year Encumbrances Appropriated	4,209,400	4,209,400	4,209,400	0
Fund Balance at End of Year	\$45,931,604	\$51,762,991	\$72,376,314	\$20,613,323

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, 2018

	Internal Service Funds
Assets:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$33,895,270
Prepaid Items	734,497
Total Assets	34,629,767
Liabilities:	
Current Liabilities:	
Accounts Payable	24,692
Accrued Wages and Benefits Payable	4,372
Intergovernmental Payable	1,999
Accrued Vacation Leave Payable	4,067
Claims Payable	3,180,249
Compensated Absences Payable	754
Total Current Liabilities	3,216,133
Non-Current Liabilities:	
Claims Payable	106,085
Compensated Absences Payable	10,918
Total Non-Current Liabilities	117,003
Total Liabilities	3,333,136
Net Position:	
Unrestricted	\$31,296,631

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, 2018

	Internal Service Funds
Operating Revenues:	
Charges for Services	\$27,103,480
Other Revenues	1,036
	27,104,516
 Operating Expenses:	
Salaries	86,814
Fringe Benefits	43,332
Purchased Services	1,502,915
Claims	22,131,596
Supplies and Materials	35,605
	23,800,262
 Change in Net Position	 3,304,254
 Net Position at Beginning of Year	 27,992,377
 Net Position at End of Year	 \$31,296,631

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, 2018

	Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents:	
Cash Flows from Operating Activities:	
Cash Received from Interfund Services Provided	\$27,103,480
Cash Received from Other Operating Revenues	1,036
Cash Payments to Suppliers for Goods	(1,585,956)
Cash Payments to Employees for Services and Benefits	(108,487)
Cash Payments for Claims	(22,594,748)
Net Increase in Cash and Cash Equivalents	2,815,325
Cash and Cash Equivalents Beginning of Year	31,079,945
Cash and Cash Equivalents End of Year	\$33,895,270
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$3,304,254
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Decrease in Prepaid Items	6,489
Decrease in Accounts Payable	(32,696)
Increase in Accrued Wages and Benefits Payable	186
Increase in Intergovernmental Payable	297
Decrease in Accrued Vacation Leave Payable	(539)
Decrease in Claims Payable	(463,152)
Increase in Compensated Absences Payable	486
Net Cash Provided by Operating Activities	\$2,815,325

See accompanying notes to the basic financial statements.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	<u>Private Purpose Trust Fund</u>	<u>Agency Fund</u>
Assets:		
Equity in Pooled Cash and Cash Equivalents	<u>\$14,714</u>	<u>\$356,981</u>
Liabilities:		
Undistributed Monies		\$141,251
Due to Students		<u>215,730</u>
		<u>\$356,981</u>
Net Position:		
Held in Trust for Scholarships	<u>\$14,714</u>	

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, 2018

	Private Purpose Trust Fund
Additions:	
Miscellaneous	\$25,850
Deductions:	
Payments in Accordance with Trust Agreements	22,328
Change in Net Position	3,522
Net Position Beginning of Year	11,192
Net Position End of Year	\$14,714

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, 2018

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 1,027 certificated employees and 1,013 classified employees who provide services to 13,221 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.

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

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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.

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.

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MONTGOMERY COUNTY, OHIO**

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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.

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

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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.

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. Differences in

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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, 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, pension and OPEB plans. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are explained in Notes 11 and 12.

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,

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deferred inflows of resources include property and other local taxes, pension, OPEB plan, and unavailable revenue. Property and other local taxes represent amounts for which there is an enforceable legal claim as of June 30, 2018, but which were levied to finance fiscal year 2019 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. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 19. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide Statement of Net Position. (See Notes 11 and 12)

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.

Pensions/Other Postemployment Benefits (OPEB)

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

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

During fiscal year 2018, 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, Negotiable

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Certificates of Deposits and STAROhio. Investments are reported at fair value which is based on quoted market prices. For investments in open-ended mutual funds, the fair value is determined by the fund's current share price.

During Fiscal Year 2018, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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 2018 amounted to \$629,373, which includes \$318,658 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.

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Capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their 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 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, 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.

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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.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. 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.

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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 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 2019 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 net 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

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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.

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 amounts reported as the final budgeted amounts reflect the amounts in the amended certificate in effect at the time final appropriations were passed.

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

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. Under Ohio law, premiums on the original issuance of debt are to

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be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Minimum Fund Balance Policy

The Dayton City School District Board of Education has adopted a cash balance reserve policy in the general fund. The target level is set at 10 percent of the general fund's operating expenditures. This amount is intended to provide fiscal stability when economic downturns or other unexpected events occur.

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.

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 and Restatement of Net Position

For fiscal year 2018, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 85, *Omnibus 2017*, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and related guidance from (GASB) Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*.

For fiscal year 2018, the School District also implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2017-1*. These changes were incorporated in the School District's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

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GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). These changes were incorporated in the School District’s fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 75 established standards for measuring and recognizing Postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2017:

Net Position June 30, 2017	\$161,807,149
Adjustments:	
Net OPEB Liability	(64,289,887)
Deferred Outflow - Payments Subsequent to Measurement Date	457,167
Restated Net Position June 30, 2017	\$97,974,429

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

Note 4 – Accountability

At June 30, 2018, the following funds had a deficit fund balance:

Funds	Amounts
Special Revenue:	
Public School Preschool	\$4
Title VI-B	59,386
Career Technical Education	2,763
Stimulus School Improvement Subsidy G	54,792
Dropout Prevention and Intervention	22,850
Title I	367,882
Title VI-R Classroom Size Reduction	231,674
Miscellaneous Federal Grants	14,421
Total	\$753,772

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

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Note 5 - Budgetary Basis of Accounting

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

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

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

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

Net Change in Fund Balance	
GAAP Basis	\$16,959,719
Adjustments:	
Revenue Accruals	368,855
Expenditure Accruals	12,068,487
Advances	(987,644)
Change in Fair Market Value FY 2018	640,009
Change in Fair Market Value FY 2017	(74,770)
Transfers	200,000
Encumbrances	(6,360,442)
Excess of revenues, and other financing sources	
over/(under) expenditures and other financing uses:	
Uniform School Supplies	(474)
Other Grant Rotary	1,077
Public School Support	78,133
Budget Basis	\$22,892,950

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Note 6 - Deposits and Investments

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

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

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

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

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided 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 to market daily, and the term of the agreement must not exceed thirty days;

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4. 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;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. 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.

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. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, \$545,892 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.

At June 30, 2018, \$45,798,825 of the School District's total bank balance of \$57,230,820 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. One of the School District's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

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Eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

In October 2018, the financial institution participating in OPCS with reduced collateral of 50 percent, increased the collateral to the State minimum of 102 percent of the deposits being secured.

Investments

As of June 30, 2018, the School District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	S&P/ Moody's Rating	Concentration of Credit Risk
Net Asset Value Per Share				
STAROhio	\$42,476,412	Less Than One Year	AAAm	41.40%
Fair Value - Level One Input				
Money Market Mutual Funds	10,092,405	Less Than One Year	AAAm	9.84%
Fair Value - Level Two Input				
Dayton Foundation	752,730	Less Than One Year	N/A	N/A
Federal Farm Credit Bank Notes	11,045,160	Less Than Five Years	Aaa	10.77%
Federal Home Loan Bank Bonds	7,643,055	Less Than Five Years	Aaa	7.45%
Federal Home Loan Mortgage Corporation Notes	9,405,166	Less Than Five Years	Aaa	9.17%
Federal National Mortgage Notes	11,855,798	Less Than Five Years	Aaa	11.56%
US Treasury Notes	722,506	Less Than Three Years	N/A	N/A
Negotiable Certificates of Deposit	8,598,876	Less Than Five Years	N/A	8.38%
Total Investments	<u>\$102,592,108</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, 2018. The Money Market Mutual Fund is measured at fair value and is valued using quoted market prices (Level 1 Inputs). The School District's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

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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.

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 2018 represents collections of calendar year 2017 taxes. Real property taxes received in calendar year 2018 were levied after April 1, 2017, on the assessed value listed as of January 1, 2017, 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 2018 represents collections of calendar year 2017 taxes. Public utility real and tangible personal property taxes received in calendar year 2018 became a lien December 31, 2016, were levied after April 1, 2017, 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, 2018 are available to finance fiscal year 2018 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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Accrued property taxes receivable includes real property and public utility property taxes that are measurable as of June 30, 2018 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property and other local taxes.

The amount available as an advance at June 30, 2018 was \$3,752,631 and is recognized as revenue: \$2,945,037 in the General Fund, \$743,100 in the Bond Retirement Debt Service Fund, and \$64,494 in the Other Governmental Funds. The amount available as an advance at June 30, 2017 was \$4,493,171 and is recognized as revenue: \$3,327,959 in the General Fund, \$1,091,466 in the Bond Retirement Debt Service Fund, and \$73,746 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 2018 taxes were collected are:

	2017 Second-Half Collection		2018 First-Half Collection	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$1,320,040,540	92.75%	\$1,315,728,570	92.47%
Public Utility	103,127,550	7.25%	107,217,990	7.53%
Total Assessed Value	\$1,423,168,090	100.00%	\$1,422,946,560	100.00%
Tax Rate per \$1,000	\$83.35		\$80.05	

Note 8 - Receivables

Receivables at June 30, 2018 consisted of property and other local taxes, 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.

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A summary of the principal items of intergovernmental receivables follows:

	Amount
<u>Governmental Activities:</u>	
Public School Preschool	\$102,800
Miscellaneous State Grants	7,092
Title VI-B	1,199,685
Career Technical Education	219,978
Title I School Improvement Stimulus A	1,713,400
Stimulus School Improvement Subsidy G	1,389,992
Dropout Prevention and Intervention	114,367
Title I Grant	2,641,093
EHA Pre-School Grants	34,276
Title VI-R	801,736
Miscellaneous Grants	210,492
Food Service	881,431
Total Intergovernmental Receivables	\$9,316,342

Note 9 - Capital Assets

Capital assets activity for the year ended June 30, 2018 was as follows:

	Balance 6/30/2017	Additions	Deductions	Balance 6/30/2018
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$8,719,365	\$0	(\$204,735)	\$8,514,630
Capital Assets Being Depreciated:				
Buildings and Improvements	482,724,452	0	0	482,724,452
Furniture, Fixtures, and Equipment	11,835,866	643,615	0	12,479,481
Vehicles	19,533,018	9,934,836	(782,123)	28,685,731
Total Capital Assets Being Depreciated	514,093,336	10,578,451	(782,123)	523,889,664
Less Accumulated Depreciation:				
Buildings and Improvements	(82,429,989)	(8,409,649)	0	(90,839,638)
Furniture, Fixtures, and Equipment	(6,732,329)	(1,058,717)	0	(7,791,046)
Vehicles	(18,635,951)	(1,062,275)	782,123	(18,916,103)
Total Accumulated Depreciation	(107,798,269)	(10,530,641) *	782,123	(117,546,787)
Capital Assets Being Depreciated, Net	406,295,067	47,810	0	406,342,877
Governmental Activities Capital Assets, Net	\$415,014,432	\$47,810	(\$204,735)	\$414,857,507

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*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$219,494
Special	20,246
Vocational	13,683
Support Services:	
Instructional Staff	480,241
Board of Education	59,080
Administration	6,710
Business	1,040
Operation and Maintenance of Plant	63,842
Pupil Transportation	1,044,124
Central	31,425
Extracurricular Activities	182,383
	2,122,268
Unallocated Depreciation	8,408,373
Total Depreciation Expense	\$10,530,641

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

Note 10 - Risk Management

Property and Liability

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

Electronic data processing equipment is covered 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.

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Self-Insured Health Benefits

The School District provides health insurance coverage through a self-insurance plan that was administered by United Health Care of Ohio through December 31, 2017. Beginning on January 1, 2018 the plan was administered by Anthem Blue Cross Blue Shield. Employee share of the total monthly premium is 15 percent. The premium varies with each employee depending on the terms of the union contract. Anthem Blue Cross Blue Shield 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 \$2,341,000 reported in the Internal Service Fund at June 30, 2018 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
2017	\$2,533,000	\$19,572,329	\$19,630,329	\$2,475,000
2018	2,475,000	20,991,754	21,125,754	2,341,000

Workers’ Compensation

Beginning January 1 2015, the School District participated in the Ohio SchoolComp Group Retrospective Rating Program. CompManagement LLC is the claims administrator. The risk exposure in the Group Retrospective Rating program is lower because it is capped at 15% of the standard premium whereas the Individual Retrospective Rating program is capped at 200%. Claims costs in the Group Retrospective Rating program are paid by the BWC not the School District. In addition, premium refunds are achieved from the Group Retrospective Rating program when the standard premium of the group exceeds the developed claims costs for program year claims.

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2018 Workers' Compensation Comparison	Individual Retrospective Rating	Group Retrospective Rating
	<u>Rating</u>	<u>Rating</u>
Estimated Premium Payment	\$600,681	\$1,516,580
Estimated Claims Cost (Over 10 Years)	829,045	0
Estimated Rebate at 20%	0	(273,403)
Estimated Net Premium	<u>\$1,429,726</u>	<u>\$1,243,177</u>
Premium Payment	\$600,681	\$1,516,580
Estimated Claims Cost (Over 10 Years)	829,045	0
Maximum Additional Premium at 200%	\$1,453,867	
Maximum Group Retro Assessment at 15%	0	205,052
Maximum Risk Exposure	<u>\$2,883,593</u>	<u>\$1,721,632</u>

For calendar years 2007 – 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 the level of participation selected by the District the maximum payment is 150 percent of the standard premium for policy years 2008, 2009, 2010 and 2011, and the loss for any individual claim is limited to \$200,000 for policy years 2008, 2009 and 2010. The maximum payment is 200 percent of the standard premium for policy years 2012, 2013 and 2014, and the loss for any individual claim is limited to \$300,000 for policy year 2011 and limited to \$400,000 for policy years 2012, 2013 and 2014.

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>
2017	\$1,603,872	\$520,090	\$849,476	\$1,274,486
2018	1,274,486	1,139,842	1,468,994	945,334

Note 11 - Defined Benefit Pension Plans

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability

The net pension liability and the net OPEB liability reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB 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.

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The net pension/OPEB liability represent the School District's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB 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 these estimates 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 and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

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.

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Age and service requirements for retirement are as follows:

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

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years 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, 2018, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining .5 percent was allocated to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$5,108,412 for fiscal year 2018. Of this amount \$118,579 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 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.

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 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 service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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 to 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.

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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 June 30, 2018, the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The School District’s contractually required contribution to STRS was \$9,513,484 for fiscal year 2018. Of this amount \$962,139 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, 2017, 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	1.10498760%	0.61418087%	
Proportion of the Net Pension Liability			
Current Measurement Date	<u>1.10420690%</u>	<u>0.63445619%</u>	
Change in Proportionate Share	<u>-0.00078070%</u>	<u>0.02027532%</u>	
Proportionate Share of the Net			
Pension Liability	\$65,973,926	\$150,716,427	\$216,690,353
Pension Expense	(\$3,293,117)	(\$60,940,689)	(\$64,233,806)

At June 30, 2018, 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	\$2,839,289	\$5,819,961	\$8,659,250
Changes of assumptions	3,411,562	32,963,339	36,374,901
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	0	4,089,006	4,089,006
School District contributions subsequent to the measurement date	<u>5,108,412</u>	<u>9,513,484</u>	<u>14,621,896</u>
Total Deferred Outflows of Resources	<u>\$11,359,263</u>	<u>\$52,385,790</u>	<u>\$63,745,053</u>

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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$1,214,716	\$1,214,716
Net difference between projected and actual earnings on pension plan investments	313,162	4,973,816	5,286,978
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	<u>1,387,622</u>	<u>10,017,338</u>	<u>11,404,960</u>
Total Deferred Inflows of Resources	<u>\$1,700,784</u>	<u>\$16,205,870</u>	<u>\$17,906,654</u>

\$14,621,896 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2019	\$1,811,131	\$4,037,162	\$5,848,293
2020	3,425,897	10,803,266	14,229,163
2021	851,025	8,170,817	9,021,842
2022	<u>(1,537,986)</u>	<u>3,655,191</u>	<u>2,117,205</u>
Total	<u>\$4,550,067</u>	<u>\$26,666,436</u>	<u>\$31,216,503</u>

Actuarial Assumptions - SERS

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

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

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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.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2017, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

Prior to 2017, an assumption of 3 percent was used for COLA or Ad Hoc COLA.

For 2017, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term return expectation for the Pension Plan Investments has been determined by 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 average 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.

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

Discount Rate The total pension liability was calculated using the discount rate of 7.50 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 (7.50 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.

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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$91,554,660	\$65,973,926	\$44,544,838

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Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2017, actuarial valuation, compared with July 1, 2016 are presented below:

	July 1, 2017	July 1, 2016
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	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 commences on fifth anniversary of retirement date.

For the July 1, 2017, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For the July 1, 2016 actuarial valuation, 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 July 1 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

STRS’ investment consultant develops an estimate range 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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Asset Class	Target Allocation	Long-Term Expected Rate of Return *
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
 Total	 <u>100.00 %</u>	

* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2017. The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes that 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. 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, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2017.

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 7.45 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 (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net pension liability	\$216,046,870	\$150,716,427	\$95,685,323

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Note 12 - Postemployment Benefits

See note 11 for a description of the net OPEB liability.

Plan Description - School Employees Retirement System (SERS)

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 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. 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. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, 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 pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, .5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2018, this amount was \$23,700. 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 2018, the School District's surcharge obligation was \$428,604.

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The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$617,804 for fiscal year 2018. Of this amount \$432,996 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS 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. 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 costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2018, STRS did not allocate any employer contributions to post-employment health care.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability			
Prior Measurement Date	1.10313170%	0.61418087%	
Proportion of the Net OPEB Liability			
Current Measurement Date	<u>1.09081960%</u>	<u>0.63445619%</u>	
Change in Proportionate Share	<u>-0.01231210%</u>	<u>0.02027532%</u>	
Proportionate Share of the Net			
OPEB Liability	\$29,274,733	\$24,754,139	\$54,028,872
OPEB Expense	\$1,586,490	(\$7,398,722)	(\$5,812,232)

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At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$0	\$1,428,960	\$1,428,960
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	0	929,425	929,425
School District contributions subsequent to the measurement date	<u>617,804</u>	<u>0</u>	<u>617,804</u>
Total Deferred Outflows of Resources	<u>\$617,804</u>	<u>\$2,358,385</u>	<u>\$2,976,189</u>
Deferred Inflows of Resources			
Changes of assumptions	\$2,778,021	\$1,994,026	\$4,772,047
Net difference between projected and actual earnings on OPEB plan investments	77,307	1,058,051	1,135,358
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	<u>442,596</u>	<u>0</u>	<u>442,596</u>
Total Deferred Inflows of Resources	<u>\$3,297,924</u>	<u>\$3,052,077</u>	<u>\$6,350,001</u>

\$617,804 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2019	(\$1,186,217)	(\$203,786)	(\$1,390,003)
2020	(1,186,217)	(203,786)	(1,390,003)
2021	(906,163)	(203,786)	(1,109,949)
2022	(19,327)	(203,792)	(223,119)
2023	0	60,725	60,725
Thereafter	<u>0</u>	<u>60,733</u>	<u>60,733</u>
Total	<u>(\$3,297,924)</u>	<u>(\$693,692)</u>	<u>(\$3,991,616)</u>

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited

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service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). 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.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2017, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.56 percent
Prior Measurement Date	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.63 percent
Prior Measurement Date	2.98 percent
Medical Trend Assumption	
Medicare	5.50 to 5.00 percent
Pre-Medicare	7.50 to 5.00 percent

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of

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return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.56 percent, as of June 30, 2017 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.63%) and higher (4.63%) than the current discount rate (3.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 4.0%) and higher (8.5% decreasing to 6.0%) than the current rate.

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
School District's proportionate share of the net OPEB liability	\$35,352,967	\$29,274,733	\$24,459,218

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	1% Decrease (6.5 % decreasing to 4.0 %)	Current Trend Rate (7.5 % decreasing to 5.0 %)	1% Increase (8.5 % decreasing to 6.0 %)
School District's proportionate share of the net OPEB liability	\$23,754,251	\$29,274,733	\$36,581,183

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2017, actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017
Blended Discount Rate of Return	4.13 percent
Health Care Cost Trends	6 to 11 percent initial, 4.5 percent ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

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Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements was extended to January 2020.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11.

Discount Rate The discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan’s fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan’s fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected benefit payments through the fiscal year ending June 30, 2036 and the Bond Buyer 20-year municipal bond rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017. A blended discount rate of 3.26 percent which represents the long term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13 percent) or one percentage point higher (5.13 percent) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
School District's proportionate share of the net OPEB liability	\$33,232,035	\$24,754,139	\$18,053,832

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	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB liability	\$17,198,115	\$24,754,139	\$34,698,752

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:

Length of Service	Pay-days
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 2018 were as follows:

	Restated Balance 6/30/2017	Increase	Decrease	Balance 6/30/2018	Due within One Year
<u>General Obligation Bonds:</u>					
2012 Equipment Acquisition: 2.0-3.0 percent	\$1,840,000	\$0	\$285,000	\$1,555,000	\$295,000
2013 School Construction Refunding Bonds Series A 1.5-5.0 percent Serial Bonds	63,095,000	0	9,345,000	53,750,000	9,840,000
2013 School Construction Refunding Bonds Series B 2.0-3.0 percent	2,480,000	0	330,000	2,150,000	335,000
2014 School Construction and Improvement Unlimited Tax Refunding Bonds Series 2014 1.0 - 5.0 percent	90,110,000	0	225,000	89,885,000	230,000
Add: Unamortized Bond Premium	23,313,099	0	2,591,930	20,721,169	
2017 School Buses Acquisition Bonds	7,230,755	0	1,050,703	6,180,052	1,072,459
Total General Obligation Bonds	\$188,068,854	\$0	\$13,827,633	\$174,241,221	\$11,772,459

Continued

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

	Restated Balance 6/30/2017	Increase	Decrease	Balance 6/30/2018	Due within One Year
Other Long-Term Liabilities:					
Refunded Certificates of					
Participation	\$12,505,000	\$0	\$675,000	\$11,830,000	\$730,000
Add: Unamortized Note Premium	437,395	0	36,963	400,432	0
Net Pension Liability					
SERS	80,874,898	0	14,900,972	65,973,926	0
STRS	205,584,852	0	54,868,425	150,716,427	0
Total Net Pension Liability	<u>286,459,750</u>	<u>0</u>	<u>69,769,397</u>	<u>216,690,353</u>	<u>0</u>
Net OPEB Liability					
SERS	31,443,334		2,168,601	29,274,733	0
STRS	32,846,553		8,092,414	24,754,139	0
Total OPEB Liability	<u>64,289,887</u>	<u>0</u>	<u>10,261,015</u>	<u>54,028,872</u>	<u>0</u>
Compensated Absences Payable	4,178,539	477,567	291,125	4,364,981	281,847
Claims Payable	3,749,486	20,679,603	21,142,755	3,286,334	3,180,249
Total Other Long-Term Liabilities	<u>371,620,057</u>	<u>21,157,170</u>	<u>102,176,255</u>	<u>290,600,972</u>	<u>4,192,096</u>
Long-Term Obligations	<u>\$559,688,911</u>	<u>\$21,157,170</u>	<u>\$116,003,888</u>	<u>\$464,842,193</u>	<u>\$15,964,555</u>

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.

On May 2, 2017, the School District issued \$9,730,755 School Buses Acquisition Bonds. The bonds were issued for the purpose of purchasing 115 new school buses that were delivered to the School District in August 2017. The bonds were issued for a six year period with a final date of November 2, 2023 with a rate of 2.06 percent.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2019	\$11,772,459	\$6,889,902	\$18,662,361
2020	12,229,664	6,406,658	18,636,322
2021	12,707,331	5,865,940	18,573,271
2022	13,285,467	5,271,481	18,556,948
2023	13,899,082	4,647,141	18,546,223
2024-2028	49,456,049	15,885,663	65,341,712
2029-2032	40,170,000	3,570,500	43,740,500
Total	<u>\$153,520,052</u>	<u>\$48,537,285</u>	<u>\$202,057,337</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:

Fiscal Year Ended June 30,	Principal	Interest	Total
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	915,000	389,000	1,304,000
2023	980,000	360,363	1,340,363
2024-2028	6,085,000	1,006,338	7,091,338
2029	1,485,000	29,700	1,514,700
Total	<u>\$11,830,000</u>	<u>\$3,139,651</u>	<u>\$14,969,651</u>

The School District pays obligations related to employee compensation from the fund benefitting from their service. Compensated absences will be paid from General Fund, Auxiliary Services Fund, Alternative Schools Fund, Welcome Stadium Fund, Title VI-B Fund, Vocational Educational Enhancement Fund, Title I School Improvement Subsidy G Fund, Title I Fund, EHA Preschool Grant for Handicapped Fund Title VI-R Classroom Size Reduction Fund, Food Service Fund, and Retrospective Workers' Comp Fund. There is no repayment schedule for the net pension/OPEB liability. However, employer pension/OPEB contributions are made from the following funds: General Fund, Auxiliary Services 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. For additional information related to the net pension and OPEB liabilities see Note 11 and 12.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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 \$5.6 million.

Note 15 - Interfund Activity

Advances

As of June 30, 2018, the General Fund had an interfund receivable of \$1,946,947 while the nonmajor governmental funds had interfund payables of \$1,946,947.

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.

Transfers

As of June 30, 2018, the General fund had a \$200,000 transfer out to programs accounted for in other nonmajor governmental funds.

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.

	Capital Acquisitions
Set Aside Balance as of June 30, 2017	\$0
Current Fiscal Year Set-aside Requirement	2,254,437
Current Fiscal Year Revenue Off-Sets	(607,538)
Qualifying Disbursements	(1,646,899)
Set Aside Balance as of June 30, 2018	\$0

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.

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.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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	\$6,434,473
Nonmajor Funds	<u>5,269,667</u>
Total	<u><u>\$11,704,140</u></u>

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	<u>\$134,406</u>	<u>\$0</u>	<u>\$0</u>	<u>\$134,406</u>
<i>Restricted for</i>				
Debt Service	0	8,063,948	0	8,063,948
Permanent Improvements	0	0	17,769,050	17,769,050
Food Service Operations	0	0	14,501,857	14,501,857
Special Trust	0	0	202,875	202,875
District Managed Student Activities	0	0	374,144	374,144
Maintenance of Classroom Facilities	0	0	4,271,910	4,271,910
State and Federal Grants	0	0	1,349,745	1,349,745
<i>Total Restricted</i>	<u>\$0</u>	<u>\$8,063,948</u>	<u>\$38,469,581</u>	<u>\$46,533,529</u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Fund Balances	General Fund	Bond Retirement Fund	Nonmajor Governmental Funds	Total
<i>Committed to</i>				
Purchases On Order:				
Professional/Technical Services	\$619,856	\$0	\$0	\$619,856
Property Services	17,037	0	0	17,037
Communications/Utilities	106,365	0	0	106,365
Supplies and Materials for Operation	66,917	0	0	66,917
Other Purchases on Order	85,154	0	0	85,154
<i>Total Committed</i>	<u>895,329</u>	<u>0</u>	<u>0</u>	<u>895,329</u>
<i>Assigned to</i>				
Professional/Technical Services	2,190,034	0	0	2,190,034
Property Services	404,796	0	0	404,796
Communications/Utilities	732,075	0	0	732,075
Pupil Transportation	44,564	0	0	44,564
Textbooks	37,806	0	0	37,806
Supplies and Materials for Operation	615,849	0	0	615,849
Equipment	1,173,623	0	0	1,173,623
Vehicles	941,280	0	0	941,280
Other Purchased Services	220,410	0	0	220,410
2019 Operations	21,122,085	0	0	21,122,085
<i>Total Assigned</i>	<u>27,482,522</u>	<u>0</u>	<u>0</u>	<u>27,482,522</u>
<i>Unassigned (Deficit)</i>	<u>41,271,754</u>	<u>0</u>	<u>(753,772)</u>	<u>40,517,982</u>
<i>Total Fund Balances</i>	<u>\$69,784,011</u>	<u>\$8,063,948</u>	<u>\$37,715,809</u>	<u>\$115,563,768</u>

Note 19 - Contingencies

Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2018, if applicable, cannot be determined at this time.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

School Foundation

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. 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, 2018, Foundation funding for the School District; therefore, any financial statement impact is not determinable at this time. ODE and management believe this may result in either a receivable to or a liability of the School District.

Litigation

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

Note 20 – Tax Abatements

School District property taxes were reduced as follows under the Community Reinvestment Area Tax exemption agreement entered into by the City of Dayton:

<u>Tax Abatement Program</u>	Amount of Fiscal Year 2018 School District Taxes Abated
CRA	<u>\$1,410,529</u>

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 FIVE FISCAL YEARS (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>
School District's Proportion of the Net Pension Liability	1.10420690%	1.10498760%	1.14207510%
School District's Proportionate Share of the Net Pension Liability	\$65,973,926	\$80,874,898	\$65,167,913
School District's Covered Payroll	\$31,653,186	\$38,855,764	\$34,818,629
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	208.43%	208.14%	187.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.50%	62.98%	69.16%

(1) Information prior to 2014 is not available.

*Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information

<u>2015</u>	<u>2014</u>
1.15324200%	1.15324200%
\$58,364,921	\$68,579,600
\$34,187,458	\$32,957,366
170.72%	208.09%
71.70%	65.52%

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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 OPEB LIABILITY
 SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO
 LAST TWO FISCAL YEARS (1)

	<u>2018</u>	<u>2017</u>
School District's Proportion of the Net OPEB Liability	1.09081960%	1.10313170%
School District's Proportionate Share of the Net OPEB Liability	\$29,274,733	\$31,443,334
School District's Covered Payroll	\$31,653,186	\$38,855,764
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered - Payroll	92.49%	80.92%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	12.46%	11.49%

(1) Information prior to 2017 is not available.

*Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
School District's Proportion of the Net Pension Liability	0.63445619%	0.61418087%	0.66010532%
School District's Proportionate Share of the Net Pension Liability	\$150,716,427	\$205,584,852	\$182,433,802
School District's Covered Payroll	\$64,315,879	\$70,308,157	\$68,088,093
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	234.34%	292.41%	267.94%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.30%	66.80%	72.10%

(1) Information prior to 2014 is not available.

*Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information

<u>2015</u>	<u>2014</u>
0.68206506%	0.68206506%
\$165,901,827	\$197,621,172
\$69,673,843	\$71,077,531
238.11%	278.04%
74.70%	69.30%

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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 OPEB LIABILITY
 SCHOOL TEACHERS RETIREMENT SYSTEM OF OHIO
 LAST TWO FISCAL YEARS (1)

	<u>2018</u>	<u>2017</u>
School District's Proportion of the Net OPEB Liability	0.63445619%	0.61418087%
School District's Proportionate Share of the Net OPEB Liability	\$24,754,139	\$32,846,553
School District's Covered Payroll	\$64,315,879	\$70,308,157
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered - Payroll	38.49%	46.72%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.10%	37.30%

(1) Information prior to 2017 is not available.

*Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Pension Liability				
Contractually Required Contribution	\$5,108,412	\$4,431,446	\$5,439,807	\$4,589,095
Contributions in Relation to the Contractually Required Contribution	<u>(5,108,412)</u>	<u>(4,431,446)</u>	<u>(5,439,807)</u>	<u>(4,589,095)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$37,840,089	\$31,653,186	\$38,855,764	\$34,818,629
Pension Contributions as a Percentage of Covered Payroll	<u>13.50%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.18%</u>
Net OPEB Liability				
Contractually Required Contribution (2)	\$617,804	\$457,167	\$486,745	\$632,399
Contributions in Relation to the Contractually Required Contribution	<u>(617,804)</u>	<u>(457,167)</u>	<u>(486,745)</u>	<u>(632,399)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>1.63%</u>	<u>1.44%</u>	<u>1.25%</u>	<u>1.82%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.13%</u>	<u>15.44%</u>	<u>15.25%</u>	<u>15.00%</u>

(1) The School District's covered payroll is the same for Pension and OPEB.

(2) Includes Surcharge

See accompanying notes to the required supplementary information

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$4,738,382	\$4,561,300	\$4,611,327	\$3,905,320	\$6,186,558	\$3,297,255
<u>(4,738,382)</u>	<u>(4,561,300)</u>	<u>(4,611,327)</u>	<u>(3,905,320)</u>	<u>(6,186,558)</u>	<u>(3,297,255)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$34,187,458	\$32,957,366	\$34,284,961	\$31,068,577	\$45,690,978	\$33,508,691
<u>13.86%</u>	<u>13.84%</u>	<u>13.45%</u>	<u>12.57%</u>	<u>13.54%</u>	<u>9.84%</u>
\$324,815	\$353,794	\$705,528	\$1,011,218	\$797,100	\$1,983,613
<u>(324,815)</u>	<u>(353,794)</u>	<u>(705,528)</u>	<u>(1,011,218)</u>	<u>(797,100)</u>	<u>(1,983,613)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.95%</u>	<u>1.07%</u>	<u>2.06%</u>	<u>3.25%</u>	<u>1.74%</u>	<u>5.92%</u>
<u>14.81%</u>	<u>14.91%</u>	<u>15.51%</u>	<u>15.82%</u>	<u>15.28%</u>	<u>15.76%</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Pension Liability				
Contractually Required Contribution	\$9,513,484	\$9,004,223	\$9,843,142	\$9,532,333
Contributions in Relation to the Contractually Required Contribution	<u>(9,513,484)</u>	<u>(9,004,223)</u>	<u>(9,843,142)</u>	<u>(9,532,333)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$67,953,457	\$64,315,879	\$70,308,157	\$68,088,093
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

(1) The School District's covered payroll is the same for Pension and OPEB.

See accompanying notes to the required supplementary information

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$9,057,600	\$9,240,079	\$9,622,262	\$10,057,416	\$10,165,329	\$10,031,773
<u>(9,057,600)</u>	<u>(9,240,079)</u>	<u>(9,622,262)</u>	<u>(10,057,416)</u>	<u>(10,165,329)</u>	<u>(10,031,773)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$69,673,843	\$71,077,531	\$74,017,400	\$77,364,738	\$78,194,838	\$77,167,485
<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>
\$696,738	\$710,775	\$740,174	\$773,647	\$781,948	\$771,675
<u>(696,738)</u>	<u>(710,775)</u>	<u>(740,174)</u>	<u>(773,647)</u>	<u>(781,948)</u>	<u>(771,675)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

Net Pension Liability

Changes in Assumptions – SERS

For fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc Cola. Prior to 2018, an assumption of 3 percent was used.

Beginning with fiscal year 2017, amounts reported incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2016 and prior are presented below:

	Fiscal Year 2017	Fiscal Year 2016 and Prior
Wage Inflation	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

Beginning with fiscal year 2017, mortality assumptions use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Assumptions – STRS

Amounts reported for fiscal year 2018 incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2017 and prior are presented below:

	Fiscal Year 2018	Fiscal Year 2017 and Prior
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	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 commences on fifth anniversary of retirement date.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

For fiscal year 2018, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, 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.

Net OPEB Liability

Changes in Assumptions – SERS

Amounts reported for fiscal year 2018 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:	
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also for fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

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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.

Miscellaneous State Grants Fund

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

Dayton City School District
Nonmajor Fund Descriptions
(continued)

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.

Career Technical 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.

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.

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.

Dayton City School District
Nonmajor Fund Descriptions
(continued)

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.

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2018

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$21,468,767	\$17,821,012	\$39,289,779
Cash and Cash Equivalents with Fiscal Agent	752,730	0	752,730
Receivables:			
Property and Other Local Taxes	1,042,107	1,042,107	2,084,214
Accounts	0	0	0
Intergovernmental	9,316,342	0	9,316,342
Accrued Interest	14,829	0	14,829
Total Assets	<u>\$32,594,775</u>	<u>\$18,863,119</u>	<u>\$51,457,894</u>
<u>Liabilities:</u>			
Accounts Payable	\$1,280,344	\$84,209	\$1,364,553
Accrued Wages and Benefits Payable	1,328,723	0	1,328,723
Intergovernmental Payable	516,177	0	516,177
Interfund Payable	1,946,947	0	1,946,947
Matured Compensated Absences Payable	6,404	0	6,404
Total Liabilities	<u>5,078,595</u>	<u>84,209</u>	<u>5,162,804</u>
<u>Deferred Inflows of Resources:</u>			
Property and Other Local Taxes	559,557	559,557	1,119,114
Unavailable Revenue	7,009,864	450,303	7,460,167
Total Deferred Inflows of Resources	<u>7,569,421</u>	<u>1,009,860</u>	<u>8,579,281</u>
<u>Fund Balances:</u>			
Restricted	20,700,531	17,769,050	38,469,581
Unassigned (Deficit)	(753,772)	0	(753,772)
Total Fund Balances	<u>19,946,759</u>	<u>17,769,050</u>	<u>37,715,809</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$32,594,775</u>	<u>\$18,863,119</u>	<u>\$51,457,894</u>

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, 2018

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:			
Property and Other Local Taxes	\$602,911	\$602,911	\$1,205,822
Intergovernmental	35,099,518	90,079	35,189,597
Investment Earnings	279,133	0	279,133
Gifts and Donations	8,550	0	8,550
Customer Sales and Services	785,329	0	785,329
Extracurricular Activities	586,774	0	586,774
Miscellaneous	130,360	0	130,360
Total Revenues	37,492,575	692,990	38,185,565
Expenditures:			
Current:			
Instruction:			
Regular	78,850	0	78,850
Special	8,140,582	0	8,140,582
Vocational	504,027	0	504,027
Other	4,887,945	0	4,887,945
Support Services:			
Pupils	2,174,575	0	2,174,575
Instructional Staff	5,545,460	0	5,545,460
Administration	631,583	0	631,583
Fiscal	581,668	11,388	593,056
Operation and Maintenance of Plant	1,052,433	113,504	1,165,937
Pupil Transportation	329,746	0	329,746
Central	97,449	0	97,449
Operation of Non-Instructional Services	11,165,127	0	11,165,127
Extracurricular Activities	424,074	0	424,074
Debt Service:			
Principal Retirement	0	1,290,000	1,290,000
Interest and Fiscal Charges	0	613,713	613,713
Total Expenditures	35,613,519	2,028,605	37,642,124
Excess of Revenues Over (Under) Expenditures	1,879,056	(1,335,615)	543,441
Other Financing Sources:			
Transfers In	200,000	0	200,000
Net Change in Fund Balance	2,079,056	(1,335,615)	743,441
Fund Balance at Beginning of Year	17,867,703	19,104,665	36,972,368
Fund Balance at End of Year	\$19,946,759	\$17,769,050	\$37,715,809

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2018

	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	\$247,135	\$0	\$4,695,720	\$158,672
Cash and Cash Equivalents with Fiscal Agent	0	752,730	0	0
<u>Receivables:</u>				
Property and Other Local Taxes	0	0	1,042,107	0
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Accrued Interest	0	0	0	0
Total Assets	\$247,135	\$752,730	\$5,737,827	\$158,672
<u>Liabilities:</u>				
Accounts Payable	\$10,815	\$0	\$456,057	\$2,757
Accrued Wages and Benefits Payable	1,668	0	0	0
Intergovernmental Payable	920	0	0	250
Interfund Payable	0	0	0	0
Matured Compensated Absences Payable	0	0	0	0
Total Liabilities	13,403	0	456,057	3,007
<u>Deferred Inflows of Resources:</u>				
Property and Other Local Taxes	0	0	559,557	0
Unavailable Revenue	0	0	450,303	0
Total Deferred Inflows of Resources	0	0	1,009,860	0
<u>Fund Balances:</u>				
Restricted	233,732	752,730	4,271,910	155,665
Unassigned (Deficit)	0	0	0	0
Total Fund Balances (Deficit)	233,732	752,730	4,271,910	155,665
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$247,135	\$752,730	\$5,737,827	\$158,672

Auxiliary Services Fund	Public School Preschool Fund	Data Communications Fund	Miscellaneous State Grants Fund	Title VI-B Fund	Career Technical Education Fund
\$467,840	\$442,511	\$46,974	\$25,704	\$117,832	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	102,800	0	7,092	1,199,685	219,978
316	0	0	0	0	0
<u>\$468,156</u>	<u>\$545,311</u>	<u>\$46,974</u>	<u>\$32,796</u>	<u>\$1,317,517</u>	<u>\$219,978</u>
\$119,717	\$0	\$46,890	\$12,375	\$4,738	\$2,758
13,406	0	0	0	178,556	0
13,357	102,800	0	0	64,773	0
0	442,515	0	0	299,255	56,718
0	0	0	0	2,043	0
<u>146,480</u>	<u>545,315</u>	<u>46,890</u>	<u>12,375</u>	<u>549,365</u>	<u>59,476</u>
0	0	0	0	0	0
0	0	0	0	827,538	163,265
0	0	0	0	827,538	163,265
321,676	0	84	20,421	0	0
0	(4)	0	0	(59,386)	(2,763)
<u>321,676</u>	<u>(4)</u>	<u>84</u>	<u>20,421</u>	<u>(59,386)</u>	<u>(2,763)</u>
<u>\$468,156</u>	<u>\$545,311</u>	<u>\$46,974</u>	<u>\$32,796</u>	<u>\$1,317,517</u>	<u>\$219,978</u>

(continued)

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018
(Continued)

	Title I School Improvement Stimulus A Fund	Stimulus School Improvement Subsidy G Fund	Dropout Prevention and Intervention Fund	Title I Fund
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$235,054	\$40,332	\$516,806
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	1,713,400	1,389,992	114,367	2,641,093
Accrued Interest	0	0	0	0
Total Assets	\$1,713,400	\$1,625,046	\$154,699	\$3,157,899
<u>Liabilities:</u>				
Accounts Payable	\$5,790	\$121,131	\$15,524	\$353,848
Accrued Wages and Benefits Payable	79,039	96,651	8,286	831,230
Intergovernmental Payable	16,241	43,322	948	148,690
Interfund Payable	24,534	272,155	50,396	458,735
Matured Compensated Absences Payable	2,878	0	0	1,483
Total Liabilities	128,482	533,259	75,154	1,793,986
<u>Deferred Inflows of Resources:</u>				
Property and Other Local Taxes	0	0	0	0
Unavailable Revenue	1,566,631	1,146,579	102,395	1,731,795
Total Deferred Inflows of Resources	1,566,631	1,146,579	102,395	1,731,795
<u>Fund Balances:</u>				
Restricted	18,287	0	0	0
Unassigned (Deficit)	0	(54,792)	(22,850)	(367,882)
Total Fund Balances (Deficit)	18,287	(54,792)	(22,850)	(367,882)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$1,713,400	\$1,625,046	\$154,699	\$3,157,899

EHA Preschool Grants for the Handicapped Fund	Title VI-R Classroom Size Reduction Fund	Miscellaneous Federal Grants Fund	Special Trust Fund	Food Service Fund	Welcome Stadium Fund	Total
\$2,231	\$40,458	\$126,972	\$202,875	\$13,868,496	\$233,155	\$21,468,767
0	0	0	0	0	0	752,730
0	0	0	0	0	0	1,042,107
0	0	0	0	0	0	0
34,276	801,736	210,492	0	881,431	0	9,316,342
0	0	0	0	14,513	0	14,829
<u>\$36,507</u>	<u>\$842,194</u>	<u>\$337,464</u>	<u>\$202,875</u>	<u>\$14,764,440</u>	<u>\$233,155</u>	<u>\$32,594,775</u>
\$0	\$25,050	\$21,246	\$0	\$70,404	\$11,244	\$1,280,344
5,736	35,075	187	0	78,889	0	1,328,723
0	7,903	251	0	113,290	3,432	516,177
605	204,104	137,930	0	0	0	1,946,947
0	0	0	0	0	0	6,404
<u>6,341</u>	<u>272,132</u>	<u>159,614</u>	<u>0</u>	<u>262,583</u>	<u>14,676</u>	<u>5,078,595</u>
0	0	0	0	0	0	559,557
<u>27,351</u>	<u>801,736</u>	<u>192,271</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,009,864</u>
<u>27,351</u>	<u>801,736</u>	<u>192,271</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,569,421</u>
2,815	0	0	202,875	14,501,857	218,479	20,700,531
0	(231,674)	(14,421)	0	0	0	(753,772)
<u>2,815</u>	<u>(231,674)</u>	<u>(14,421)</u>	<u>202,875</u>	<u>14,501,857</u>	<u>218,479</u>	<u>19,946,759</u>
<u>\$36,507</u>	<u>\$842,194</u>	<u>\$337,464</u>	<u>\$202,875</u>	<u>\$14,764,440</u>	<u>\$233,155</u>	<u>\$32,594,775</u>

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, 2018

	Other Grants Fund	Education Foundation Fund	Maintenance of Classroom Facilities Fund	District Managed Student Activities Fund
Revenues:				
Property and Other Local Taxes	\$0	\$0	\$602,911	\$0
Intergovernmental	0	0	569,128	0
Investment Earnings	0	66,020	0	0
Gifts and Donations	0	1,050	0	0
Customer Sales and Services	0	0	0	0
Extracurricular Activities	0	0	0	175,258
Miscellaneous	86,814	0	0	0
Total Revenues	86,814	67,070	1,172,039	175,258
Expenditures:				
Current:				
Instruction:				
Regular	3,131	0	0	0
Special	0	0	0	0
Vocational	0	0	0	0
Other	0	0	0	0
Support Services:				
Pupils	100,605	0	0	0
Instructional Staff	10,611	0	0	0
Administration	0	11,335	0	0
Fiscal	0	0	11,388	0
Operation and Maintenance of Plant	0	0	960,424	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	177,000	0	0
Extracurricular Activities	5,576	0	0	164,934
Total Expenditures	119,923	188,335	971,812	164,934
Excess of Revenues Over (Under) Expenditures	(33,109)	(121,265)	200,227	10,324
Other Financing Uses:				
Transfers In	0	200,000	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	200,000	0	0
Net Change in Fund Balance	(33,109)	78,735	200,227	10,324
Fund Balance (Deficit) at Beginning of Year	266,841	673,995	4,071,683	145,341
Fund Balance (Deficit) at End of Year	\$233,732	\$752,730	\$4,271,910	\$155,665

Auxiliary Services Fund	Public School Preschool Fund	Data Communications Fund	Vocational Education Enhancement Fund	Miscellaneous State Grants Fund
\$0	\$0	\$0	\$0	\$0
1,607,728	692,800	46,800	5,000	7,092
6,541	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
1,614,269	692,800	46,800	5,000	7,092
0	0	0	0	2,791
0	692,800	0	0	2,583
0	0	0	0	0
0	0	0	0	0
0	0	0	0	8,400
0	0	0	5,000	1,392
0	0	0	0	0
0	685	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	97,290	0	0
1,520,232	0	0	0	0
0	0	0	0	0
1,520,232	693,485	97,290	5,000	15,166
94,037	(685)	(50,490)	0	(8,074)
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
94,037	(685)	(50,490)	0	(8,074)
227,639	681	50,574	0	28,495
\$321,676	(\$4)	\$84	\$0	\$20,421

(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, 2018
(Continued)

	Title VI-B Fund	Career Technical Education Fund	Title I School Improvement Stimulus A Fund	Stimulus School Improvement Subsidy G Fund
Revenues:				
Property and Other Local Taxes	\$0	\$0	\$0	\$0
Intergovernmental	5,251,958	527,833	904,868	1,862,355
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	5,251,958	527,833	904,868	1,862,355
Expenditures:				
Current:				
Instruction:				
Regular	0	0	0	0
Special	2,255,375	0	81,816	310,674
Vocational	0	504,027	0	0
Other	0	0	64,240	0
Support Services:				
Pupils	1,764,649	0	0	53,957
Instructional Staff	891,373	22,383	694,964	1,375,905
Administration	100,041	0	0	126,705
Fiscal	82,506	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	159	0	0
Operation of Non-Instructional Services	248,746	0	0	0
Extracurricular Activities	0	0	0	0
Total Expenditures	5,342,690	526,569	841,020	1,867,241
Excess of Revenues Over (Under) Expenditures	(90,732)	1,264	63,848	(4,886)
Other Financing Uses:				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	(90,732)	1,264	63,848	(4,886)
Fund Balance (Deficit) at Beginning of Year	31,346	(4,027)	(45,561)	(49,906)
Fund Balance (Deficit) at End of Year	(\$59,386)	(\$2,763)	\$18,287	(\$54,792)

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
\$0	\$0	\$0	\$0	\$0
185,735	12,602,399	85,270	779,113	278,657
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
185,735	12,602,399	85,270	779,113	278,657
0	42,666	0	0	30,262
55,730	4,500,322	81,401	0	159,881
0	0	0	0	0
0	4,812,297	0	9,500	1,908
47,536	151,627	0	0	47,801
68,336	1,687,264	1,378	781,614	5,240
0	380,914	0	0	12,588
3,215	336,242	5,110	41,095	1,655
0	0	0	0	0
3,840	316,518	0	0	9,388
0	0	0	0	0
18,446	687,123	0	76,081	5,582
0	0	0	0	0
197,103	12,914,973	87,889	908,290	274,305
(11,368)	(312,574)	(2,619)	(129,177)	4,352
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
(11,368)	(312,574)	(2,619)	(129,177)	4,352
(11,482)	(55,308)	5,434	(102,497)	(18,773)
(\$22,850)	(\$367,882)	\$2,815	(\$231,674)	(\$14,421)

(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, 2018
(Continued)

	Special Trust Fund	Food Service Fund	Welcome Stadium Fund	Total
Revenues:				
Property and Other Local Taxes	\$0	\$0	\$0	\$602,911
Intergovernmental	0	9,692,782	0	35,099,518
Investment Earnings	0	206,572	0	279,133
Gifts and Donations	0	7,500	0	8,550
Customer Sales and Services	0	785,329	0	785,329
Extracurricular Activities	0	0	411,516	586,774
Miscellaneous	0	43,546	0	130,360
Total Revenues	0	10,735,729	411,516	37,492,575
Expenditures:				
Current:				
Instruction:				
Regular	0	0	0	78,850
Special	0	0	0	8,140,582
Vocational	0	0	0	504,027
Other	0	0	0	4,887,945
Support Services:				
Pupils	0	0	0	2,174,575
Instructional Staff	0	0	0	5,545,460
Administration	0	0	0	631,583
Fiscal	0	99,772	0	581,668
Operation and Maintenance of Plant	0	2,424	89,585	1,052,433
Pupil Transportation	0	0	0	329,746
Central	0	0	0	97,449
Operation of Non-Instructional Services	0	8,431,917	0	11,165,127
Extracurricular Activities	0	0	253,564	424,074
Total Expenditures	0	8,534,113	343,149	35,613,519
Excess of Revenues Over (Under) Expenditures	0	2,201,616	68,367	1,879,056
Other Financing Uses:				
Transfers In	0	0	0	200,000
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	200,000
Net Change in Fund Balance	0	2,201,616	68,367	2,079,056
Fund Balance (Deficit) at Beginning of Year	202,875	12,300,241	150,112	17,867,703
Fund Balance (Deficit) at End of Year	\$202,875	\$14,501,857	\$218,479	\$19,946,759

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, 2018

	Warehouse Fund	Retrospective Workers' Comp Fund	Self- Insurance Fund	Total
Assets:				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$15,160	\$4,692,098	\$29,188,012	\$33,895,270
Prepaid Items	0	734,497	0	734,497
Total Assets	<u>15,160</u>	<u>5,426,595</u>	<u>29,188,012</u>	<u>34,629,767</u>
Liabilities:				
Current Liabilities:				
Accounts Payable	2,311	20,051	2,330	24,692
Accrued Wages and Benefits Payable	0	4,372	0	4,372
Intergovernmental Payable	0	1,999	0	1,999
Accrued Vacation Leave Payable	0	4,067	0	4,067
Claims Payable	0	839,249	2,341,000	3,180,249
Compensated Absences Payable	0	754	0	754
Total Current Liabilities	<u>2,311</u>	<u>870,492</u>	<u>2,343,330</u>	<u>3,216,133</u>
Non-Current Liabilities:				
Claims Payable	0	106,085	0	106,085
Compensated Absences Payable	0	10,918	0	10,918
Total Non-Current Liabilities	<u>0</u>	<u>117,003</u>	<u>0</u>	<u>117,003</u>
Total Liabilities	<u>2,311</u>	<u>987,495</u>	<u>2,343,330</u>	<u>3,333,136</u>
Net Position:				
Unrestricted	<u>12,849</u>	<u>4,439,100</u>	<u>26,844,682</u>	<u>31,296,631</u>
Total Net Position	<u><u>\$12,849</u></u>	<u><u>\$4,439,100</u></u>	<u><u>\$26,844,682</u></u>	<u><u>\$31,296,631</u></u>

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, 2018

	Warehouse Fund	Retrospective Workers' Comp Fund	Self- Insurance Fund	Total
Operating Revenues:				
Charges for Services	\$0	\$2,261,138	\$24,842,342	\$27,103,480
Other Revenues	0	1,036	0	1,036
Total Operating Revenues	<u>0</u>	<u>2,262,174</u>	<u>24,842,342</u>	<u>27,104,516</u>
Operating Expenses:				
Salaries	0	86,814	0	86,814
Fringe Benefits	0	41,002	2,330	43,332
Purchased Services	15,264	282,294	1,205,357	1,502,915
Claims	0	1,139,842	20,991,754	22,131,596
Supplies and Materials	35,605	0	0	35,605
Total Operating Expenses	<u>50,869</u>	<u>1,549,952</u>	<u>22,199,441</u>	<u>23,800,262</u>
Change in Net Position	(50,869)	712,222	2,642,901	3,304,254
Net Position at Beginning of Year	<u>63,718</u>	<u>3,726,878</u>	<u>24,201,781</u>	<u>27,992,377</u>
Net Position at End of Year	<u>\$12,849</u>	<u>\$4,439,100</u>	<u>\$26,844,682</u>	<u>\$31,296,631</u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	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	\$2,261,138	\$24,842,342	\$27,103,480
Cash Received from Other Operating Revenues	0	1,036	0	1,036
Cash Payments to Suppliers for Goods	(52,788)	(327,811)	(1,205,357)	(1,585,956)
Cash Payments to Employees for Services and Benefits	0	(108,487)	0	(108,487)
Cash Payments for Claims	0	(1,468,994)	(21,125,754)	(22,594,748)
Net Increase (Decrease) in Cash and Cash Equivalents	(52,788)	356,882	2,511,231	2,815,325
Cash and Cash Equivalents Beginning of Year	67,948	4,335,216	26,676,781	31,079,945
Cash and Cash Equivalents End of Year	\$15,160	\$4,692,098	\$29,188,012	\$33,895,270
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	(\$50,869)	\$712,222	\$2,642,901	\$3,304,254
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Decrease in Prepaid Items	0	6,489	0	6,489
Increase (Decrease) in Accounts Payable	(1,919)	(33,107)	2,330	(32,696)
Increase in Accrued Wages and Benefits Payable	0	186	0	186
Increase in Intergovernmental Payable	0	297	0	297
Decrease in Accrued Vacation Leave Payable	0	(539)	0	(539)
Decrease in Claims Payable	0	(329,152)	(134,000)	(463,152)
Increase in Compensated Absences Payable	0	486	0	486
Net Cash Provided by (Used for) Operating Activities	(\$52,788)	\$356,882	\$2,511,231	\$2,815,325

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, 2018

	Beginning Balance	Additions	Deductions	Ending Balance
OHSAA District Managed Activity Fund				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$159,009	\$22,131	\$39,889	\$141,251
Liabilities:				
Undistributed Monies	\$159,009	\$22,131	\$39,889	\$141,251
Student-Managed Activities Fund				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$218,844	\$169,009	\$172,123	\$215,730
Liabilities:				
Due to Students	\$218,844	\$169,009	\$172,123	\$215,730
Total				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$377,853	\$191,140	\$212,012	\$356,981
Liabilities:				
Undistributed Monies	\$159,009	\$22,131	\$39,889	\$141,251
Due to Students	218,844	169,009	172,123	215,730
Total Liabilities	\$377,853	\$191,140	\$212,012	\$356,981

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, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Taxes	\$15,884,291	\$15,884,291	\$0
Intergovernmental	3,610,050	3,610,050	0
Miscellaneous	600	600	0
Total Revenues	19,494,941	19,494,941	0
Expenditures:			
Current:			
Support Services:			
Fiscal	287,658	287,658	0
Debt Service:			
Principal Retirement	9,570,000	9,570,000	0
Interest and Fiscal Charges	7,122,700	7,122,700	0
Total Expenditures	16,980,358	16,980,358	0
Excess of Revenues Over Expenditures	2,514,583	2,514,583	0
Other Financing Sources (Uses):			
Advances In	35,000	35,000	0
Advances Out	(35,000)	(35,000)	0
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balance	2,514,583	2,514,583	0
Fund Balance at Beginning of Year	4,806,265	4,806,265	0
Fund Balance at End of Year	\$7,320,848	\$7,320,848	\$0

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, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Miscellaneous	\$112,664	\$112,664	\$0
Total Revenues	<u>112,664</u>	<u>112,664</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	34,500	3,728	30,772
Special	10,039	0	10,039
Support Services:			
Pupils	254,752	100,181	154,571
Instructional Staff	37,357	10,611	26,746
Administration	340	0	340
Operation and Maintenance of Plant	370	0	370
Central	4,315	0	4,315
Extracurricular Activities	40,342	27,928	12,414
Total Expenditures	<u>382,015</u>	<u>142,448</u>	<u>239,567</u>
Net Change in Fund Balance	(269,351)	(29,784)	239,567
Fund Balance at Beginning of Year	233,575	233,575	0
Prior Year Encumbrances Appropriated	<u>35,623</u>	<u>35,623</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$153)</u></u>	<u><u>\$239,414</u></u>	<u><u>\$239,567</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, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Taxes	\$607,537	\$607,537	\$0
Intergovernmental	569,128	569,128	0
Total Revenues	<u>1,176,665</u>	<u>1,176,665</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	12,500	11,388	1,112
Operation and Maintenance of Plant	1,738,141	1,151,613	586,528
Total Expenditures	<u>1,750,641</u>	<u>1,163,001</u>	<u>587,640</u>
Net Change in Fund Balance	(573,976)	13,664	587,640
Fund Balance at Beginning of Year	3,972,489	3,972,489	0
Prior Year Encumbrances Appropriated	76,778	76,778	0
Fund Balance at End of Year	<u><u>\$3,475,291</u></u>	<u><u>\$4,062,931</u></u>	<u><u>\$587,640</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, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Extracurricular Activities	\$175,258	\$175,258	\$0
Total Revenues	<u>175,258</u>	<u>175,258</u>	<u>0</u>
Expenditures:			
Current:			
Extracurricular Activities			
Academic Oriented Activities	1,726	761	965
Sport Oriented Activities	329,459	189,440	140,019
Total Expenditures	<u>331,185</u>	<u>190,201</u>	<u>140,984</u>
Net Change in Fund Balance	(155,927)	(14,943)	140,984
Fund Balance at Beginning of Year	129,023	129,023	0
Prior Year Encumbrances Appropriated	<u>26,946</u>	<u>26,946</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$42</u></u>	<u><u>\$141,026</u></u>	<u><u>\$140,984</u></u>

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, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$1,607,728	\$1,607,728	\$0
Interest	6,970	6,970	0
Total Revenues	1,614,698	1,614,698	0
Expenditures:			
Current:			
Operation of Non-Instructional Services			
Community Services	1,893,398	1,655,047	238,351
Total Expenditures	1,893,398	1,655,047	238,351
Excess of Revenues Under Expenditures	(278,700)	(40,349)	238,351
Other Financing Uses:			
Refund of Prior Year Receipts	(60,791)	(60,791)	0
Net Change in Fund Balance	(339,491)	(101,140)	238,351
Fund Balance at Beginning of Year	99,831	99,831	0
Prior Year Encumbrances Appropriated	275,464	275,464	0
Fund Balance at End of Year	<u>\$35,804</u>	<u>\$274,155</u>	<u>\$238,351</u>

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, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$1,272,800	\$830,285	(\$442,515)
Expenditures:			
Current:			
Instruction:			
Special	1,272,115	1,272,115	0
Support Services:			
Fiscal	685	685	0
Total Expenditures	1,272,800	1,272,800	0
Excess of Revenues Under Expenditures	0	(442,515)	(442,515)
Other Financing Sources (Uses):			
Advances In	0	442,515	442,515
Advances Out	(395,730)	(395,730)	0
Total Other Financing Uses	(395,730)	46,785	442,515
Net Change in Fund Balance	(395,730)	(395,730)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	395,730	395,730	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
DATA COMMUNICATIONS FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$46,800	\$46,800	\$0
Expenditures:			
Current:			
Support Services:			
Central	97,375	97,290	85
Total Expenditures	97,375	97,290	85
Net Change in Fund Balance	(50,575)	(50,490)	85
Fund Balance at Beginning of Year	175	175	0
Prior Year Encumbrances Appropriated	50,400	50,400	0
Fund Balance at End of Year	\$0	\$85	\$85

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
VOCATIONAL EDUCATION ENHANCEMENT - BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$10,000	\$10,000	\$0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	5,000	5,000	0
Net Change in Fund Balance	5,000	5,000	0
Fund Balance at (Deficit) Beginning of Year	(5,000)	(5,000)	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
MISCELLANEOUS STATE GRANTS FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$9,804	\$0	(9,804)
Expenditures:			
Current:			
Instruction:			
Regular	6,110	3,705	2,405
Special	2,604	2,604	0
Support Services:			
Pupils	5,700	5,700	0
Instructional Staff	1,500	1,500	0
Central	14,630	0	14,630
Total Expenditures	30,544	13,509	17,035
Net Change in Fund Balance	(20,740)	(13,509)	7,231
Fund Balance at Beginning of Year	28,067	28,067	0
Prior Year Encumbrances Appropriated	430	430	0
Fund Balance at End of Year	\$7,757	\$14,988	\$7,231

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, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$5,705,399	\$5,225,057	(\$480,342)
Expenditures:			
Current:			
Instruction:			
Special	2,114,230	2,114,230	0
Support Services:			
Pupils	2,050,383	2,050,383	0
Instructional Staff	1,010,055	1,010,055	0
Administration	100,345	100,345	0
Fiscal	82,506	82,506	0
Operation of Non-Instructional Services	237,874	237,874	0
Total Expenditures	5,595,393	5,595,393	0
Excess of Revenues Over/(Under) Expenditures	110,006	(370,336)	(480,342)
Other Financing Sources (Uses):			
Advances In	0	299,255	299,255
Advances Out	(523,266)	(523,266)	0
Total Other Financing Sources (Uses)	(523,266)	(224,011)	299,255
Net Change in Fund Balance	(413,260)	(594,347)	(181,087)
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	413,260	413,260	0
Fund Balance (Deficit) at End of Year	\$0	(\$181,087)	(\$181,087)

DAYTON SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CAREER TECHNICAL EDUCATION FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$589,366	\$518,794	(\$70,572)
Expenditures:			
Current:			
Instruction:			
Vocational	547,809	547,809	0
Support Services:			
Instructional Staff	20,883	20,883	0
Central	159	159	0
Total Expenditures	568,851	568,851	0
Excess of Revenues Over/(Under) Expenditures	20,515	(50,057)	(70,572)
Other Financing Sources (Uses):			
Advances In	0	13,859	13,859
Advances Out	(95,979)	(95,979)	0
Total Other Financing Sources (Uses)	(95,979)	(82,120)	13,859
Net Change in Fund Balance	(75,464)	(132,177)	(56,713)
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	75,464	75,464	0
Fund Balance (Deficit) at End of Year	\$0	(\$56,713)	(\$56,713)

**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, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$863,576	\$811,371	(\$52,205)
Expenditures:			
Current:			
Instruction:			
Special	84,852	84,852	0
Other	64,239	64,239	0
Support Services:			
Instructional Staff	727,410	727,410	0
Total Expenditures	876,501	876,501	0
Excess of Revenues Under Expenditures	(12,925)	(65,130)	(52,205)
Other Financing Sources:			
Advances In	0	24,234	24,234
Net Change in Fund Balance	(12,925)	(40,896)	(27,971)
Fund Balance at Beginning of Year	9,560	9,560	0
Prior Year Encumbrances Appropriated	3,365	3,365	0
Fund Balance (Deficit) at End of Year	\$0	(\$27,971)	(\$27,971)

**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, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$2,051,400	\$1,742,152	(\$309,248)
Expenditures:			
Current:			
Instruction:			
Special	362,806	362,806	0
Support Services:			
Pupils	58,277	58,277	0
Instructional Staff	1,465,465	1,465,465	0
Administration	128,624	128,624	0
Total Expenditures	2,015,172	2,015,172	0
Excess of Revenues Over (Under) Expenditures	36,228	(273,020)	(309,248)
Other Financing Sources (Uses):			
Advances In	0	272,155	272,155
Advances Out	(132,551)	(132,551)	0
Total Other Financing Sources (Uses)	(132,551)	139,604	272,155
Net Change in Fund Balance	(96,323)	(133,416)	(37,093)
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	96,323	96,323	0
Fund Balance (Deficit) at End of Year	\$0	(\$37,093)	(\$37,093)

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, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$264,683	\$202,315	(\$62,368)
Expenditures:			
Current:			
Instruction:			
Special	70,186	70,186	0
Support Services:			
Pupils	48,875	48,875	0
Instructional Staff	83,487	83,487	0
Fiscal	3,214	3,214	0
Pupil Transportation	3,842	3,842	0
Operation of Non-Instructional Services	26,528	26,528	0
Total Expenditures	236,132	236,132	0
Excess of Revenues Over (Under) Expenditures	28,551	(33,817)	(62,368)
Other Financing Sources (Uses):			
Advances In	0	50,396	50,396
Advances Out	(53,590)	(53,590)	0
Total Other Financing Sources (Uses)	(53,590)	(3,194)	50,396
Net Change in Fund Balance	(25,039)	(37,011)	(11,972)
Fund Balance at Beginning of Year	1,547	1,547	0
Prior Year Encumbrances Appropriated	25,413	25,413	0
Fund Balance (Deficit) at End of Year	\$1,921	(\$10,051)	(\$11,972)

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, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$13,044,880	\$12,560,317	(\$484,563)
Expenditures:			
Current:			
Instruction:			
Special	4,760,008	4,760,008	0
Other Instruction	4,812,298	4,812,298	0
Support Services:			
Pupils	177,805	177,805	0
Instructional Staff	1,661,407	1,661,407	0
Administration	380,667	380,667	0
Fiscal	336,242	336,242	0
Pupil Transportation	320,695	320,695	0
Operation of Non-Instructional Services	752,296	752,296	0
Total Expenditures	13,201,418	13,201,418	0
Excess of Revenues Under Expenditures	(156,538)	(641,101)	(484,563)
Other Financing Sources (Uses):			
Advances In	0	458,735	458,735
Advances Out	(750,000)	(750,000)	0
Total Other Financing Sources (Uses)	(750,000)	(291,265)	458,735
Net Change in Fund Balance	(906,538)	(932,366)	(25,828)
Fund Balance at Beginning of Year	46,106	46,106	0
Prior Year Encumbrances Appropriated	861,524	861,524	0
Fund Balance (Deficit) at End of Year	\$1,092	(\$24,736)	(\$25,828)

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, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$98,121	\$97,516	(\$605)
Expenditures:			
Current:			
Instruction:			
Special	89,696	89,696	0
Support Services:			
Instructional Staff	2,710	2,710	0
Fiscal	5,110	5,110	0
Total Expenditures	97,516	97,516	0
Excess of Revenues Over Expenditures	605	0	(605)
Other Financing Sources (Uses):			
Advances In	0	605	605
Advances Out	(3,148)	(3,148)	0
Total Other Financing Sources (Uses)	(3,148)	(2,543)	605
Net Change in Fund Balance	(2,543)	(2,543)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	2,543	2,543	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
TITLE VI-R CLASSROOM SIZE REDUCTION FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$1,237,193	\$1,033,089	(\$204,104)
Expenditures:			
Current:			
Instruction:			
Other	9,500	9,500	0
Support Services:			
Instructional Staff	963,010	963,010	0
Fiscal	41,095	41,095	0
Operation of Non-Instructional Services			
Community Services	78,967	78,967	0
Total Expenditures	1,092,572	1,092,572	0
Excess of Revenues Over (Under) Expenditures	144,621	(59,483)	(204,104)
Other Financing Sources (Uses):			
Advances In	0	204,104	204,104
Advances Out	(373,452)	(373,452)	0
Total Other Financing Sources (Uses)	(373,452)	(169,348)	0
Net Change in Fund Balance	(228,831)	(228,831)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	228,831	228,831	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
MISCELLANEOUS FEDERAL GRANTS FUND - BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$378,084	\$274,312	(\$103,772)
Expenditures:			
Current:			
Instruction:			
Regular	63,385	63,385	0
Special	215,918	215,917	1
Other	1,908	1,908	0
Support Services:			
Pupils	53,937	50,900	3,037
Instructional Staff	4,992	4,992	0
Administration	17,390	17,390	0
Fiscal	2,885	1,655	1,230
Pupil Transportation	9,500	9,388	112
Operation of Non-Instructional Services			
Community Services	5,582	5,582	0
Total Expenditures	375,497	371,117	4,380
Excess of Revenues Over (Under) Expenditures	2,587	(96,805)	(99,392)
Other Financing Sources (Uses):			
Advances In	34,159	137,931	103,772
Advances Out	(88,429)	(88,429)	0
Total Other Financing Sources (Uses)	(54,270)	49,502	103,772
Net Change in Fund Balance	(51,683)	(47,303)	4,380
Fund Balance at Beginning of Year	14,136	14,136	0
Prior Year Encumbrances Appropriated	46,127	46,127	0
Fund Balance at End of Year	\$8,580	\$12,960	\$4,380

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, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues	\$0	\$0	\$0
Expenditures:			
Current:			
Support Services:			
Pupils	195,135	0	195,135
Instructional Staff	7,740	0	7,740
Total Expenditures	202,875	0	202,875
Net Change in Fund Balance	(202,875)	0	202,875
Fund Balance at Beginning of Year	202,875	202,875	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, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	\$8,811,351	\$8,811,351	\$0
Interest	204,307	204,307	0
Gifts and Donations	7,500	7,500	0
Customer Sales and Services	785,329	785,329	0
Miscellaneous	64,128	64,128	0
Total Revenues	9,872,615	9,872,615	0
Expenditures:			
Current:			
Support Services:			
Fiscal	100,000	99,772	228
Operation and Maintenance of Plant	5,538	3,923	1,615
Operation of Non-Instructional Services			
Food Service Operations	14,948,527	10,224,098	4,724,429
Total Expenditures	15,054,065	10,327,793	4,726,272
Net Change in Fund Balance	(5,181,450)	(455,178)	4,726,272
Fund Balance at Beginning of Year	11,044,191	11,044,191	0
Prior Year Encumbrances Appropriated	1,554,065	1,554,065	0
Fund Balance at End of Year	\$7,416,806	\$12,143,078	\$4,726,272

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, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Extracurricular Activities	\$411,515	\$411,515	\$0
Expenditures:			
Current:			
Support Services:			
Operation and Maintenance of Plant	90,405	90,381	24
Extracurricular Activities:			
Sport Oriented Activities	480,321	322,859	157,462
Total Expenditures	570,726	413,240	157,486
Net Change in Fund Balance	(159,211)	(1,725)	157,486
Fund Balance at Beginning of Year	131,387	131,387	0
Prior Year Encumbrances Appropriated	27,824	27,824	0
Fund Balance at End of Year	\$0	\$157,486	\$157,486

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, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Tuition and Fees	\$25	\$25	\$0
Extracurricular Activities	1,304	1,304	0
Total Revenues	1,329	1,329	0
Expenditures:			
Current:			
Instruction:			
Regular	27,709	1,102	26,607
Net Change in Fund Balance	(26,380)	227	26,607
Fund Balance at Beginning of Year	26,017	26,017	0
Prior Year Encumbrances Appropriated	363	363	0
Fund Balance at End of Year	\$0	\$26,607	\$26,607

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, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Extracurricular Activities	\$11,494	\$11,494	\$0
Expenditures:			
Current:			
Instruction:			
Regular	106,689	12,571	94,118
Net Change in Fund Balance	(95,195)	(1,077)	94,118
Fund Balance at Beginning of Year	94,779	94,779	0
Prior Year Encumbrances Appropriated	416	416	0
Fund Balance at End of Year	\$0	\$94,118	\$94,118

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, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Extracurricular Activities	\$97,596	\$97,596	\$0
Customer Sales and Services	8,100	8,100	0
Miscellaneous	16,168	16,168	0
Total Revenues	121,864	121,864	0
Expenditures:			
Current:			
Instruction:			
Regular	701,125	250,950	450,175
Special	4,546	573	3,973
Adult/Continuing	80,932	0	80,932
Support Services:			
Instructional Staff	6,944	1,746	5,198
Operation and Maintenance of Plant	285	0	285
Extracurricular Activities:			
Academic Oriented Activities	10,603	4,353	6,250
Total Expenditures	804,435	257,622	546,813
Excess of Revenues Under Expenditures	(682,571)	(135,758)	546,813
Other Financing Uses:			
Refund of Prior Year Receipts	(2,647)	(2,647)	0
Net Change in Fund Balance	(685,218)	(138,405)	546,813
Fund Balance at Beginning of Year	572,919	572,919	0
Prior Year Encumbrances Appropriated	114,859	114,859	0
Fund Balance at End of Year	\$2,560	\$549,373	\$546,813

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, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Taxes	\$607,537	\$607,537	\$0
Intergovernmental	90,079	90,079	0
Total Revenues	697,616	697,616	0
Expenditures:			
Current:			
Support Services:			
Fiscal	22,576	11,388	11,188
Operation and Maintenance of Plant	2,150,000	786,141	1,363,859
Debt Service:			
Principal Retirement	1,290,000	1,290,000	0
Interest and Fiscal Charges	615,000	613,713	1,287
Total Expenditures	4,077,576	2,701,242	1,376,334
Net Change in Fund Balances	(3,379,960)	(2,003,626)	1,376,334
Fund Balance at Beginning of Year	19,067,808	19,067,808	0
Fund Balance at End of Year	<u>\$15,687,848</u>	<u>\$17,064,182</u>	<u>\$1,376,334</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, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues	\$0	\$0	\$0
Expenses:			
Purchased Services	24,661	21,661	3,000
Materials and Supplies	10,923	10,000	923
Capital Outlay	32,365	28,355	4,010
Total Expenses	67,949	60,016	7,933
Net Change in Fund Equity	(67,949)	(60,016)	7,933
Fund Equity at Beginning of Year	54,624	54,624	0
Prior Year Encumbrances Appropriated	13,325	13,325	0
Fund Equity at End of Year	\$0	\$7,933	\$7,933

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, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Charges for Services	\$24,842,342	\$24,842,342	\$0
Other Revenue	1,036	1,036	0
Total Revenues	<u>24,843,378</u>	<u>24,843,378</u>	<u>0</u>
Expenses:			
Purchased Services	2,210,736	1,290,232	920,504
Claims	23,790,000	21,125,754	2,664,246
Total Expenses	<u>26,000,736</u>	<u>22,415,986</u>	<u>3,584,750</u>
Net Change in Fund Equity	(1,157,358)	2,427,392	3,584,750
Fund Equity at Beginning of Year	26,467,452	26,467,452	0
Prior Year Encumbrances Appropriated	<u>736</u>	<u>736</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$25,310,830</u></u>	<u><u>\$28,895,580</u></u>	<u><u>\$3,584,750</u></u>

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, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Charges for Services	\$2,261,138	\$2,261,138	\$0
Expenses:			
Salaries	87,000	86,681	319
Fringe Benefits	31,150	21,806	9,344
Purchased Services	490,675	427,720	62,955
Claims	2,000,000	1,468,994	531,006
Total Expenses	<u>2,608,825</u>	<u>2,005,201</u>	<u>603,624</u>
Net Change in Fund Equity	(347,687)	255,937	603,624
Fund Equity at Beginning of Year	4,432,846	4,432,846	0
Prior Year Encumbrances Appropriated	<u>108,826</u>	<u>108,826</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$4,193,985</u></u>	<u><u>\$4,797,609</u></u>	<u><u>\$603,624</u></u>

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 142 to 151.

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 152 to 159.

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 160 to 165.

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 166 to 167.

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 168 to 173.

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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Net Position:				
Net Investment in Capital Assets	\$204,395,827	\$274,083,127	\$239,262,065	\$262,446,792
Restricted	141,858,409	80,259,977	106,882,904	66,107,281
Unrestricted (Deficit)	<u>18,542,406</u>	<u>25,248,921</u>	<u>47,908,184</u>	<u>46,815,756</u>
Total Net Position	<u>\$364,796,642</u>	<u>\$379,592,025</u>	<u>\$394,053,153</u>	<u>\$375,369,829</u>

- (1) The School District implemented GASB 68 in fiscal year 2015. The effects of GASB 68 are first reflected in 2014.
- (2) Restated for Capital Asset Appraisal
- (3) The School District implemented GASB 75 in fiscal year 2018. The effects of GASB 75 are first reflected in 2017.

<u>2013</u>	<u>2014 (1)</u>	<u>2015 (1)</u>	<u>2016 (2)</u>	<u>2017 (3)</u>	<u>2018 (3)</u>
\$254,064,580	\$250,180,477	\$242,654,442	\$224,381,505	\$236,749,978	\$242,808,766
74,987,306	81,075,660	69,804,020	70,332,894	56,255,643	61,750,012
36,993,228	(214,121,742)	(189,844,884)	(162,246,002)	(195,031,192)	(92,110,185)
<u>\$366,045,114</u>	<u>\$117,134,395</u>	<u>\$122,613,578</u>	<u>\$132,468,397</u>	<u>\$97,974,429</u>	<u>\$212,448,593</u>

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

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Program Revenues:				
Charges for Services and Sales:				
Regular Instruction	\$2,386,406	\$1,789,584	\$3,220,136	\$2,353,387
Special Instruction	0	0	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	1,751,167	1,475,801	1,227,808	1,062,209
Extracurricular Activities	636,536	628,574	686,070	576,411
Other	305,335	745,087	915,281	729,560
Total Charges for Services and Sales	<u>5,079,444</u>	<u>4,639,046</u>	<u>6,049,295</u>	<u>4,721,567</u>
Operating Grants and Contributions	66,429,355	57,533,689	29,137,438	55,397,307
Capital Grants and Contributions	939,577	0	0	0
Total Program Revenues	<u>72,448,376</u>	<u>62,172,735</u>	<u>35,186,733</u>	<u>60,118,874</u>
Expenses:				
Instruction	98,856,366	96,506,253	95,366,779	94,121,187
Pupils	10,819,918	9,677,972	11,333,241	11,415,832
Instructional Staff	15,699,017	18,484,817	17,859,066	18,606,460
Board of Education	703,373	1,083,663	747,968	660,791
Administration	16,305,055	18,587,883	15,189,457	18,505,586
Fiscal	3,779,802	3,700,471	3,614,243	4,596,315
Business	1,682,577	1,500,067	1,543,948	2,578,038
Operation and Maintenance of Plant	22,091,652	22,163,606	20,595,511	21,073,668
Pupil Transportation	15,992,195	16,741,034	17,954,929	17,184,232
Central	7,753,959	7,291,951	7,798,118	10,263,636
Non-Instructional Services	72,023,470	73,765,748	72,608,042	69,881,407
Extracurricular Activities	1,932,220	1,997,118	1,885,787	1,773,357
Interest and Fiscal Charges	11,693,210	12,029,713	10,796,083	9,954,404
Unallocated Depreciation	3,392,488	5,123,531	5,819,416	9,694,823
Total Expenses	<u>282,725,302</u>	<u>288,653,827</u>	<u>283,112,588</u>	<u>290,309,736</u>
Net Expense	<u>(\$210,276,926)</u>	<u>(\$226,481,092)</u>	<u>(\$247,925,855)</u>	<u>(\$230,190,862)</u>

2013	2014 (1)	2015 (1)	2016	2017	2018 (2)
\$1,322,960	\$1,925,139	\$1,558,648	\$1,023,739	\$2,033,105	\$2,134,411
0	0	0	0	357	275
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	502	852
679,896	468,285	531,011	508,289	507,482	304,682
1,037,089	1,028,938	1,139,326	1,075,285	1,012,929	785,329
502,723	1,174,278	491,572	511,825	516,446	481,499
0	98	0	0	0	0
<u>3,561,781</u>	<u>4,608,609</u>	<u>3,816,332</u>	<u>3,121,399</u>	<u>4,070,821</u>	<u>3,707,048</u>
53,460,982	54,267,485	53,064,184	54,697,539	57,363,082	60,479,515
0	0	0	0	0	0
<u>57,022,763</u>	<u>58,876,094</u>	<u>56,880,516</u>	<u>57,818,938</u>	<u>61,433,903</u>	<u>64,186,563</u>
95,802,036	165,244,985	162,223,202	158,603,649	181,469,724	117,995,791
10,584,362	11,763,457	12,245,548	11,857,314	13,284,123	6,008,790
17,008,329	8,835,834	8,399,226	7,505,008	6,487,960	2,955,426
1,149,317	927,658	824,985	1,092,545	861,197	1,107,324
14,929,426	13,636,472	12,466,220	11,170,471	13,103,567	5,109,631
3,826,663	5,217,631	4,528,097	4,391,805	3,874,989	3,779,848
2,550,132	2,399,243	2,024,427	1,931,662	2,161,019	1,618,272
19,227,426	20,987,840	20,446,564	17,809,132	19,573,799	17,113,013
17,396,242	16,306,093	15,730,944	14,481,316	14,329,075	12,351,449
9,027,827	7,476,402	7,908,228	10,860,544	9,689,687	8,137,747
69,883,726	10,339,937	10,310,798	10,336,925	10,440,099	10,076,820
1,779,626	1,984,798	2,004,762	1,887,419	2,356,238	1,814,314
6,046,324	6,134,499	9,636,179	7,263,128	6,331,021	6,256,805
8,420,106	9,276,491	19,201,699	10,183,860	8,409,649	8,408,373
<u>277,631,542</u>	<u>280,531,340</u>	<u>287,950,879</u>	<u>269,374,778</u>	<u>292,372,147</u>	<u>202,733,603</u>
<u>(\$220,608,779)</u>	<u>(\$221,655,246)</u>	<u>(\$231,070,363)</u>	<u>(\$211,555,840)</u>	<u>(\$230,938,244)</u>	<u>(\$138,547,040)</u>

(continued)

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

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Net Expense	(\$210,276,926)	(\$226,481,092)	(\$247,925,855)	(\$230,190,862)
General Revenues:				
Property Taxes Levied for:				
General Purposes	66,244,784	63,864,510	74,266,805	49,195,475
Debt Service	12,081,522	11,412,497	14,750,041	9,936,314
Capital Projects	686,935	654,684	773,364	522,806
Other Purposes	686,936	654,683	773,364	522,806
Grants and Entitlements Not Restricted to Specific Programs	143,522,125	166,650,134	160,821,538	142,564,676
Gifts and Donations	0	0	0	0
Gain on Sale of Capital Assets	0	0	0	130,000
Investment Earnings	4,745,892	(6,557,960)	5,801,584	2,150,190
Miscellaneous	5,183,589	4,624,342	5,200,287	6,485,271
Special Item	0	0	0	0
Total General Revenues and Special Item	<u>233,151,783</u>	<u>241,302,890</u>	<u>262,386,983</u>	<u>211,507,538</u>
Change in Net Position	<u>\$22,874,857</u>	<u>\$14,821,798</u>	<u>\$14,461,128</u>	<u>(\$18,683,324)</u>

- (1) The School District implemented GASB 68 in fiscal year 2015.
- (2) The School District implemented GASB 75 in fiscal year 2018.

<u>2013</u>	<u>2014 (1)</u>	<u>2015 (1)</u>	<u>2016</u>	<u>2017</u>	<u>2018 (2)</u>
<u>(\$220,608,779)</u>	<u>(\$221,655,246)</u>	<u>(\$231,070,363)</u>	<u>(\$211,555,840)</u>	<u>(\$230,938,244)</u>	<u>(\$138,547,040)</u>
56,770,433	64,113,221	63,695,828	55,650,757	61,270,639	58,433,293
14,468,317	15,677,509	14,428,103	14,871,710	18,923,300	12,299,681
585,370	658,127	651,848	554,973	613,974	593,273
585,368	658,127	651,848	554,973	613,974	593,273
138,351,191	142,562,668	155,167,829	164,370,431	175,258,952	174,286,715
7,245	0	0	0	0	0
0	0	0	0	472,798	589
(399,516)	360,954	716,208	582,471	432,947	901,965
915,656	1,894,166	1,237,882	2,291,425	2,690,412	5,912,415
0	(775,455)	0	0	0	0
<u>211,284,064</u>	<u>225,149,317</u>	<u>236,549,546</u>	<u>238,876,740</u>	<u>260,276,996</u>	<u>253,021,204</u>
<u>(\$9,324,715)</u>	<u>\$3,494,071</u>	<u>\$5,479,183</u>	<u>\$27,320,900</u>	<u>\$29,338,752</u>	<u>\$114,474,164</u>

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

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

	2009	2010	2011	2012
General Fund:				
Nonspendable	\$0	\$894,677	\$1,183,167	\$1,120,782
Committed	0	0	0	0
Assigned	0	347,205	87,383	109,751
Unassigned (Deficit)	0	4,498,288	8,739,049	16,705,284
Reserved	6,289,229	0	0	0
Unreserved (Deficit)	279,230	0	0	0
Total General Fund	<u>\$6,568,459</u>	<u>\$5,740,170</u>	<u>\$10,009,599</u>	<u>\$17,935,817</u>
All Other Governmental Funds:				
Nonspendable	\$0	\$201,138	\$119,182	\$56,420
Restricted	0	147,679,559	94,212,021	61,541,462
Unassigned (Deficit)	0	(2,609,600)	(2,737,367)	(2,157,329)
Reserved	61,517,410	0	0	0
Unreserved, Reported in:				
Special Revenue Funds	4,716,508	0	0	0
Debt Service Fund	11,899,467	0	0	0
Capital Projects Funds	102,417,098	0	0	0
Total All Other Governmental Funds	<u>\$180,550,483</u>	<u>\$145,271,097</u>	<u>\$91,593,836</u>	<u>\$59,440,553</u>

Notes:

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

2013	2014	2015	2016	2017	2018
\$161,798	\$161,798	\$245,050	\$255,012	\$254,742	\$134,406
0	0	0	0	1,088,530	895,329
4,117,751	0	3,065,044	4,850,790	2,540,934	27,482,522
0	(3,784,487)	1,037,233	17,769,798	48,940,086	41,271,754
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$4,279,549</u>	<u>(\$3,622,689)</u>	<u>\$4,347,327</u>	<u>\$22,875,600</u>	<u>\$52,824,292</u>	<u>\$69,784,011</u>
\$0	\$0	\$0	\$0	\$0	\$0
58,376,847	61,958,295	52,251,761	49,809,881	43,138,880	46,533,529
(374,324)	(61,071)	(79,987)	(50,071)	(268,781)	(753,772)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$58,002,523</u>	<u>\$61,897,224</u>	<u>\$52,171,774</u>	<u>\$49,759,810</u>	<u>\$42,870,099</u>	<u>\$45,779,757</u>

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

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

	2009	2010	2011	2012
Revenues:				
Property and Other Local Taxes	\$76,223,293	\$69,279,536	\$72,603,902	\$68,395,202
Intergovernmental	233,641,391	243,734,419	220,348,538	204,754,204
Investment Earnings	5,782,612	1,427,190	1,774,828	1,170,074
Tuition and Fees	2,105,684	1,285,216	2,764,195	2,181,368
All Other Revenues	7,732,819	8,075,526	8,512,622	9,043,234
Total Revenue	325,485,799	323,801,887	306,004,085	285,544,082
Expenditures:				
Current:				
Instruction	99,360,164	97,474,076	97,124,824	91,211,967
Support Services:				
Pupils	10,671,850	9,421,194	11,509,619	11,282,269
Instructional Staff	15,418,891	18,457,903	18,142,239	18,516,548
Board of Education	704,595	1,043,473	732,653	629,222
Administration	16,112,024	18,431,062	15,194,443	18,434,096
Fiscal and Business	5,414,391	5,171,192	5,118,077	7,137,785
Operation and Maintenance of Plant	22,020,305	21,924,172	20,512,238	20,812,849
Pupil Transportation	15,292,841	18,108,151	17,123,253	18,317,466
Central	7,546,319	6,762,566	7,687,374	10,532,374
Operation of Non-Instructional Services	71,922,219	73,427,459	72,775,088	69,737,428
Extracurricular Activities	1,910,692	1,953,493	1,871,742	1,732,629
Capital Outlay	51,779,324	76,457,572	67,536,348	24,089,932
Debt Service:				
Principal Retirement	6,855,890	7,531,334	7,842,900	9,582,257
Interest and Fiscal Charges	12,133,216	12,479,835	11,246,601	10,384,326
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	292,498
Total Expenditures	337,142,721	368,643,482	354,417,399	312,693,646
Excess of Revenues Over (Under) Expenditures	(11,656,922)	(44,841,595)	(48,413,314)	(27,149,564)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	98,849	0	0	130,000
Current Refunding Bonds Issued	0	0	0	0
Current Refunding	0	0	0	0
Refunding Bonds Issued	0	0	0	14,735,000
Proceeds from Sale of Notes	0	0	0	2,495,000
Premium on Issuance of Bonds	0	0	0	64,898
Premium on Issuance of Refunding Bonds	0	0	0	628,370
Payment to Refunding Bonds Escrow Agent	0	0	0	(15,130,769)
Refunding Notes Issued	0	0	0	0
Proceeds from Sale of Options	0	9,685,000	0	0
Transfers In	23,006,814	3,460,042	1,500,000	16,179,663
Transfers Out	(23,591,877)	(4,384,707)	(2,494,518)	(16,179,663)
Total Other Financing Sources (Uses)	(486,214)	8,760,335	(994,518)	2,922,499
Net Change in Fund Balance	(\$12,143,136)	(\$36,081,260)	(\$49,407,832)	(\$24,227,065)
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	6.65%	6.85%	6.65%	6.92%

2013	2014	2015	2016	2017	2018
\$67,189,704	\$72,959,640	\$76,057,644	\$70,689,022	\$76,922,252	\$77,780,850
191,347,183	195,779,510	210,204,788	217,267,692	234,958,262	236,206,709
575,840	431,199	678,042	788,163	438,879	908,506
1,164,730	1,778,113	1,385,333	856,717	1,881,080	2,019,037
3,339,508	5,024,191	3,585,361	4,558,182	4,880,403	7,608,976
<u>263,616,965</u>	<u>275,972,653</u>	<u>291,911,168</u>	<u>294,159,776</u>	<u>319,080,876</u>	<u>324,524,078</u>
95,154,860	164,797,627	168,714,248	161,718,118	179,261,613	177,555,142
10,919,710	12,469,823	12,972,711	12,934,081	13,635,860	13,980,580
17,431,368	9,901,114	9,086,069	8,538,368	7,044,938	8,577,871
1,135,863	945,478	826,304	1,096,913	1,046,439	1,063,627
14,333,319	14,390,511	13,275,087	12,370,757	13,339,243	13,331,130
6,286,960	7,462,445	6,582,722	6,422,319	5,819,090	5,989,734
19,504,200	21,627,130	21,040,285	18,897,455	19,398,218	20,043,234
16,296,573	15,176,922	14,325,323	13,914,950	13,283,292	22,043,859
8,877,094	7,223,004	7,614,338	10,610,970	9,578,828	9,070,396
70,402,708	10,963,005	10,779,206	11,154,107	11,073,084	11,165,127
1,697,331	1,931,923	2,010,106	1,914,757	2,153,672	2,248,639
908,877	369,545	412,868	0	0	0
7,960,000	8,310,000	7,849,989	9,945,000	22,940,000	11,910,703
6,647,585	6,992,202	11,501,207	8,525,672	8,184,050	7,879,983
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	0
0	0	0	0	0	0
<u>292,792,011</u>	<u>282,565,729</u>	<u>312,381,603</u>	<u>278,043,467</u>	<u>306,758,327</u>	<u>304,860,025</u>
<u>(29,175,046)</u>	<u>(6,593,076)</u>	<u>(20,470,435)</u>	<u>16,116,309</u>	<u>12,322,549</u>	<u>19,664,053</u>
0	1,700,567	0	0	1,005,677	205,324
0	0	90,360,000	0	0	0
0	(93,445,000)	(88,025,000)	0	0	0
98,284,989	93,445,000	0	0	0	0
0	0	0	0	9,730,755	0
0	0	0	0	0	0
16,438,446	884,972	16,380,001	0	0	0
(194,092,687)	0	0	0	0	0
93,450,000	0	0	0	0	0
0	0	0	0	0	0
1,242,486	279,315	21,500,000	373,348	25,801	200,000
<u>(1,242,486)</u>	<u>(279,315)</u>	<u>(21,500,000)</u>	<u>(373,348)</u>	<u>(25,801)</u>	<u>(200,000)</u>
<u>14,080,748</u>	<u>2,585,539</u>	<u>18,715,001</u>	<u>0</u>	<u>10,736,432</u>	<u>205,324</u>
<u>(\$15,094,298)</u>	<u>(\$4,007,537)</u>	<u>(\$1,755,434)</u>	<u>\$16,116,309</u>	<u>\$23,058,981</u>	<u>\$19,869,377</u>
5.49%	5.42%	6.20%	6.65%	10.16%	6.73%

**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
2018	\$1,315,728,570	\$3,759,224,486	\$107,217,990	\$275,355,293
2017	1,320,040,540	3,771,544,400	103,127,550	264,850,299
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

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 tax has been phased out, and during the phase out period, all general business tangible personal property was assessed at 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out the tangible personal property tax on local and inter-exchange telephone companies at 5 percent for 2010. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers, (except telephone companies whose last year to pay tangible personal property tax was 2010)

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.

Tangible Personal Property		Total		Total Direct Tax Rate	Assessed Value Ratio
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$0	\$0	\$1,422,946,560	\$4,034,579,779	\$80.05	35.3%
0	0	1,423,168,090	4,036,394,699	83.35	35.3
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

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

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

YEAR	School District Millage				
	Operating	Debt Service	Permanent Improvement	Maintenance and Upkeep	Total
2018	\$67.55	\$11.50	\$0.50	\$0.50	\$80.05
2017	67.55	14.80	0.50	0.50	83.35
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

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	\$42.97	\$26.19
22.94	10.00	3.31	23.80	11.34	42.97	26.19
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

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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 2018</u>			<u>Fiscal Year 2009</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	\$82,393,070	1	5.79%	\$ 57,195,250	1	3.04%
Vectren Energy Delivery of Ohic	22,547,010	2	1.58%	14,008,280	3	0.74%
KND Real Estate 29 LLC	6,551,310	3	0.46%	10,020,390	5	0.53%
City of Dayton	6,200,080	4	0.44%	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	5,887,540	6	0.41%	N/A	N/A	N/A
Miami Valley Hospital	4,308,560	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
NCR Corporation	N/A	N/A	N/A	10,975,110	4	0.58%
Delamore Elizabeth	N/A	N/A	N/A	16,114,090	2	0.86%
Good Samaritan Hospital	N/A	N/A	N/A	7,918,060	7	0.42%
Dayton Heart Hospital	N/A	N/A	N/A	6,526,380	8	0.35%
Ohio Bell Telephone Company	N/A	N/A	N/A	5,531,980	9	0.29%
Marriot International	N/A	N/A	N/A	5,183,120	10	0.28%
Danis - Fifth Third Center	N/A	N/A	N/A	9,304,990	6	0.49%
Subtotal	\$145,379,570		10.22%	142,777,650		7.58%
All Other Taxpayers	1,277,566,990		89.78%	1,740,297,670		92.42%
Total Assessed Valuation	<u>\$1,422,946,560</u>		<u>100.00%</u>	<u>\$1,883,075,320</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)
2018	\$87,462,162	\$78,178,582	89.4%	\$7,115,333
2017	92,168,355	81,918,270	88.9	6,999,474
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

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. 2018 information represents tax levies and collections through November 1, 2018.
- (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.

<u>Total Tax Collections</u>	<u>Total Collection As a Percent of Current Levy</u>	<u>Outstanding Delinquent Taxes (4)</u>	<u>Delinquent Taxes to Current Tax Levy</u>
\$85,293,915	97.5%	\$51,144,096	58.5%
88,917,744	96.5	57,005,426	61.8
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

**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
2018	\$174,241,221	12.25%	\$1,241	\$0	\$12,230,432
2017	188,068,854	13.21	1,339	0	12,942,395
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

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>			
\$0	\$0	\$186,471,653	7.42%	\$1,328
0	0	201,011,249	8.26	1,431
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

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

	2009	2010	2011	2012
Total Assessed Property Value	\$1,883,075,320	\$1,844,822,560	\$1,821,475,060	\$1,590,717,740
Overall Direct Debt Limitation:				
Bond Debt Limit (a)	169,476,779	166,034,030	163,932,755	143,164,597
Net Bond Indebtedness (c)	<u>(207,070,533)</u>	<u>(204,107,463)</u>	<u>(199,510,750)</u>	<u>(195,632,944)</u>
Overall Debt Margin (b)	<u><u>(\$37,593,754)</u></u>	<u><u>(\$38,073,433)</u></u>	<u><u>(\$35,577,995)</u></u>	<u><u>(\$52,468,347)</u></u>
<i>Total net bonded debt applicable to the limit as a percentage of overall direct debt limitation</i>	<i>122.18%</i>	<i>122.93%</i>	<i>121.70%</i>	<i>136.65%</i>
Unvoted Direct Debt Limitation:				
Unvoted Debt Limit (a)	1,883,075	1,844,823	1,821,475	1,590,718
Unvoted Debt Outstanding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u><u>\$1,883,075</u></u>	<u><u>\$1,844,823</u></u>	<u><u>\$1,821,475</u></u>	<u><u>\$1,590,718</u></u>
<i>Total unvoted debt applicable to the limit as a percentage of unvoted direct debt limitation</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>

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

Notes:

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

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$1,541,938,280	\$1,556,740,410	\$1,421,977,550	\$1,418,660,640	\$1,423,168,090	\$1,422,946,560
138,774,445 (183,897,917)	140,106,637 (183,654,989)	127,977,980 (177,961,090)	127,679,458 (153,348,814)	128,085,128 (143,756,539)	128,065,190 (133,663,482)
<u>(\$45,123,472)</u>	<u>(\$43,548,352)</u>	<u>(\$49,983,110)</u>	<u>(\$25,669,355)</u>	<u>(\$15,671,410)</u>	<u>(\$5,598,291)</u>
<i>132.52%</i>	<i>131.08%</i>	<i>139.06%</i>	<i>120.10%</i>	<i>112.24%</i>	<i>104.37%</i>
1,541,938 0	1,556,740 0	1,421,978 0	1,418,661 0	1,423,168 0	1,422,947 0
<u>\$1,541,938</u>	<u>\$1,556,740</u>	<u>\$1,421,978</u>	<u>\$1,418,661</u>	<u>\$1,423,168</u>	<u>\$1,422,947</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, 2018**

<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)	\$30,723,402	14.92%	\$4,585,377
City of Dayton	(b)	20,441,542	83.79%	17,127,116
City of Riverside	(b)	1,485,873	12.70%	188,649
City of Trotwood	(b)	14,308,692	16.01%	<u>2,290,541</u>
Subtotal, Overlapping Debt				24,191,681
School District Direct Debt			100.00%	<u>186,471,653</u>
Total Direct and Overlapping Debt				<u><u>\$210,663,334</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, 2017.

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

Year	Revenue	Tax Anticipation Notes (a)		Coverage
		Principal	Interest	
2018	\$0	\$0	\$0	0.000
2017	0	0	0	0.000
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

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 mil 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)
2017	140,379	2,512,921,039	\$17,901	4.9%
2016	140,489	2,433,257,471	17,320	4.6
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

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

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

Employer	Fiscal Year 2018			Fiscal Year 2009		
	Employees (a)	Rank	Percentage of Total Employees	Employees (a)	Rank	Percentage of Total Employees
Wright Patterson Air Force Base	28,000	1	34.70%	N/A	N/A	N/A
Premier Health Partners	12,138	2	15.04%	N/A	N/A	N/A
Kettering Medical Center Network	8,909	3	11.04%	N/A	N/A	N/A
Montgomery County	4,366	5	5.41%	4,989	2	17.30%
Kroger Co.	4,855	4	6.02%	N/A	N/A	N/A
LexisNexis	3,000	8	3.72%	N/A	N/A	N/A
Wright State University	2,308	12	2.86%	N/A	N/A	N/A
Sinclair Community College	3,085	6	3.82%	2,650	4	9.19%
Dayton City School District	2,040	13	2.53%	2,650	5	9.19%
AK Steel Corporation	2,400	11	2.97%	N/A	N/A	N/A
Miami Valley Hospital	N/A	N/A	N/A	5,800	1	20.11%
Good Samaritan Hospital	N/A	N/A	N/A	3,300	3	11.44%
City of Dayton	1,171	14	1.45%	2,050	7	7.11%
University of Dayton	3,038	7	3.77%	2,150	6	7.46%
Grandview Hospital	N/A	N/A	N/A	2,000	8	6.93%
Childrens Medical Center	2,974	9	3.69%	1,700	9	5.89%
Veterns Administration	2,403	10	2.98%	1,550	10	5.37%
Total	80,687		100.00%	28,839		100.00%

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
 - (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	Expenses (2)	Cost per Pupil
2018	13,221	\$273,904,212	\$20,717	4.28%	\$194,325,230	\$14,698
2017	13,317	264,561,193	19,866	0.10	283,962,498	21,323
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

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) 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>
-31.07%	994	13.30	100.00%
12.88	1,048	12.71	100.00
-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

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

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Official/Administrative										
Asst. Principal	20	22	24	18	17	21	21	22	26	36
Principals	35	32	34	30	30	32	32	28	28	28
Superintendent	1	1	1	1	1	1	1	1	1	1
Supervisor/Manager	40	41	36	38	40	40	10	9	12	16
Treasurer	1	1	1	1	2	2	1	1	1	1
Coordinator	12	14	12	12	13	17	30	25	7	8
Director	10	11	11	18	16	16	38	32	40	37
Other Official/Administrative	4	4	3	4	5	5	2	6	17	15
Totals	<u>123</u>	<u>126</u>	<u>122</u>	<u>122</u>	<u>124</u>	<u>134</u>	<u>135</u>	<u>124</u>	<u>132</u>	<u>142</u>
Professional - Educational/Other										
Curriculum Specialist	48	67	66	23	22	24	5	0	0	0
Counseling	14	14	14	12	13	13	13	12	12	12
Librarian/Media	10	9	8	7	7	7	7	5	3	7
Remedial Specialist	29	23	29	18	5	7	9	17	12	10
Tutor/Small Group Instructor	7	0	0	29	29	31	8	3	2	4
Supplemental Service Teacher (Special Education)	77	66	60	40	45	48	66	50	49	47
General Education	586	610	614	574	586	654	575	544	600	548
Gifted and Talented	4	3	4	3	3	3	3	9	9	8
Preschool Special Education	29	33	33	32	32	32	36	42	43	39
Special Education	205	210	195	194	186	186	152	168	147	147
Career-Technical Programs/Pathways	38	24	23	23	22	22	24	26	23	38
Art Education K-8	27	24	23	22	24	24	33	30	27	27
Music Education K-8	38	39	36	24	21	21	27	26	25	30
Physical Education K-8	41	39	33	32	36	36	3	34	35	34
Other Professional	16	17	14	4	20	20	51	23	38	2
Psychologist	19	18	18	13	14	14	12	16	15	13
Registered Nursing	29	29	30	22	21	21	28	24	26	27
Speech and Language Therapist	19	17	20	19	17	17	13	12	11	10
Occupational Therapist	6	9	7	8	7	7	5	6	10	5
Educational Interpreter	18	16	16	13	12	12	13	14	16	16
Other Professional - Other	31	31	32	38	26	26	28	22	21	3
Totals	<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>	<u>1,124</u>	<u>1,027</u>
Technical/Office/Clerical										
Instructional Paraprofessional	264	296	283	236	232	234	258	235	230	228
Other Technical	13	14	13	8	12	12	4	4	9	15
Clerical	150	146	137	127	115	116	105	95	82	92
Teaching Aide	36	41	47	41	43	44	43	40	33	30
Other Office/Clerical	2	3	3	3	2	2	5	5	6	26
Totals	<u>465</u>	<u>500</u>	<u>483</u>	<u>415</u>	<u>404</u>	<u>408</u>	<u>415</u>	<u>379</u>	<u>360</u>	<u>391</u>
Crafts and Trades/Operative										
Mechanic	17	16	15	17	20	16	19	14	14	13
Other Crafts and Trades	38	40	38	38	36	36	35	35	30	32
Vehicle Operator (other than buses)	12	12	11	11	11	11	11	10	8	13
Vehicle Operator (buses)	199	215	203	181	156	156	161	166	162	152
Other Operative	9	9	9	9	8	8	4	1	0	16
Totals	<u>275</u>	<u>292</u>	<u>276</u>	<u>256</u>	<u>231</u>	<u>227</u>	<u>230</u>	<u>226</u>	<u>214</u>	<u>226</u>
Service Work/Laborer										
Custodian	146	145	127	117	114	115	115	101	107	109
Food Service	137	129	128	116	108	118	99	97	90	92
Guard/Watchman	23	24	24	26	25	22	31	28	29	25
Other Service Worker/Laborer	24	19	19	21	19	19	22	24	23	28
Totals	<u>330</u>	<u>317</u>	<u>298</u>	<u>280</u>	<u>266</u>	<u>274</u>	<u>267</u>	<u>250</u>	<u>249</u>	<u>254</u>
Totals	<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>	<u>2,079</u>	<u>2,040</u>

Source: Ohio Department of Education EMIS records

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**
TEACHER EDUCATION AND EXPERIENCE
JUNE 30, 2018

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	230	22.40%
Bachelor's + 18 Semester Hours of Graduate Credit	94	9.15
Master's Degree	545	53.07
Master's Degree + 30 Semester Hours of Graduate Credit	144	14.02
Doctorate Degree	<u>14</u>	<u>1.36</u>
Total	<u><u>1,027</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	222	21.62
6-10	200	19.47
11-15	202	19.67
16 and Over	<u>403</u>	<u>39.24</u>
Total	<u><u>1,027</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

	2009	2010	2011	2012
School Buildings:				
Elementary (PK-8)				
Buildings	19	19	22	22
Square Feet	1,684,130	1,473,978	1,461,913	1,584,111
Capacity	12,144	10,338	10,662	10,453
Enrollment	10,146	9,612	9,726	10,060
High				
Buildings	4	4	4	4
Square Feet	1,024,448	714,815	986,583	514,184
Capacity	5,094	4,192	5,119	2,910
Enrollment	4,247	4,052	4,114	4,087
Other				
Buildings	11	9	3	4
Square Feet	197,391	779,764	220,282	558,675
Capacity	1,666	4,689	1,248	3,046
Enrollment	(a)	(a)	334	1,964
Administrative Building:				
Buildings	1	1	1	1
Square Feet	150,000	150,000	150,000	150,000
Service Buildings:				
Buildings	5	5	6	4
Square Feet	224,639	224,639	191,474	106,399
Transportation:				
Garages	1	1	1	1
Buses	237	239	223	225
Athletics:				
Facility	1	1	1	1
Football Fields	8	9	10	11
Soccer Fields	4	4	4	6
Running Tracks	6	6	6	7
Baseball/Softball Fields	8	9	17	21
Swimming Pools	-	-	-	-
Playgrounds	44	44	44	48
Tennis Courts	16	16	16	23

Source: Dayton City Schools Records

Notes:

(a) These buildings represent combination and alternative center. Enrollment for these buildings are included in the appropriate level above

2013	2014	2015	2016	2017	2018
22	22	21	21	21	21
1,584,111	1,536,502	1,536,502	1,536,502	1,536,502	1,536,502
10,453	10,035	9,931	9,931	9,931	9,931
10,419	9,178	8,951	9,347	9,412	9,340
4	6	6	6	6	6
923,077	923,077	923,077	923,077	923,077	923,077
4,708	4,708	4,708	4,708	4,708	4,708
3,460	4,160	4,192	4,165	3,861	3,842
2	1	1	1	1	1
149,782	98,934	98,934	98,934	98,934	98,934
1,248	919	919	919	919	919
297	178	207	209	44	39
1	1	1	1	1	1
150,000	150,000	150,000	150,000	150,000	150,000
4	4	4	4	4	4
106,399	106,399	106,399	106,399	106,399	106,399
1	1	1	1	1	1
216	200	196	196	196	196
1	1	1	1	1	1
11	11	11	11	11	11
6	6	6	6	6	6
7	7	7	7	7	7
21	21	21	21	21	21
-	-	-	-	-	-
48	48	48	48	48	48
23	23	23	23	23	23

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Vision

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

OHIO AUDITOR OF STATE KEITH FABER



DAYTON CITY SCHOOL DISTRICT

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 7, 2019**