

**KETTERING CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2001**



**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**



**KETTERING CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

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**KETTERING CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2001**

<u>Federal Grant/ Pass Through Grantor Program</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Non-Cash Receipts</u>	<u>Disbursements</u>	<u>Non-Cash Disbursement</u>
<b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>						
<i>Pass Through Ohio Department of Education</i>						
Nutrition Cluster:						
School Breakfast Program	05-PU 2000	10.553	\$15,303		\$15,303	
	05-PU 2001		39,157		39,157	
Total School Breakfast Program			54,460		54,460	
National School Lunch Program	04-PU	10.555	375,346		375,346	
Child Care Food Program	16-CP	10.558	9,227		9,227	
Food Distribution Program		10.550		\$113,797		\$120,100
Total United States Department of Agriculture - Nutrition Cluster			439,033	113,797	439,033	120,100
<b>UNITED STATES DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education</i>						
Adult Education	AB-S1	84.002	51,356		51,356	
Special Education Cluster:						
Special Education Grant to States (IDEA Part B)	6B-SF 1999	84.027	38,427		64,643	
	6B-SF 2000		387,890		364,238	
Total Special Education Grant to States (IDEA Part B)			426,317		428,881	
Special Education - Preschool Grants	PG-S1 2000	84.173			3,752	
	PG-S1 2001		5,176		1,905	
Total Special Education - Preschool Grants			5,176		5,657	
Total Special Education Cluster			431,493		434,538	
Innovative Education Program Strategies	C2-S1 1999	84.298			5,241	
	C2-S1 2000				16,345	
	C2-S1 2001		28,663		18,091	
Total Innovative Education Program Strategies			28,663		39,677	
Eisenhower Professional Development	MS-S1 1999	84.281	(20,189)		494	
	MS-S1 2001		10,416		4,064	
Total Eisenhower Professional Development			(9,773)		4,558	
Safe and Drug Free Schools and Communities	DR-S1 1999	84.186			356	
	DR-S1 2000		15,507		22,138	
	DR-S1 2001		31,948		31,948	
Total Safe and Drug Free Schools and Communities			47,455		54,442	
Even Start	EV-S4 2001	84.213	193,455		142,457	
Title I Grant to Local Educational Agencies	C1-S1 1999	84.010			2,807	
	C1-S1 2000		43,321		77,227	
	C1-S1 2001		345,137		312,492	
Total Title I Grant to Local Educational Agencies			388,458		392,526	
Class Size Reduction	CR-S1 2000	84.340	71,763		102,535	
	CR-S1 2001		102,701		42,657	
Total Class Size Reduction			174,464		145,192	
Goals 2000	G2-A2 2001	84.276	375		77,689	
<i>Passed Through Centerville City School District</i>						
Vocational Education - Carl Perkins		84.049	79,284		49,031	
Total United States Department of Education			1,385,230		1,391,466	
<b>UNITED STATES DEPARTMENT OF HUMAN SERVICES</b>						
<i>Passed Through Montgomery County Educational Service Center</i>						
Medical Assistance Program		93.778	4,348		4,348	
<b>UNITED STATES DEPARTMENT OF LABOR</b>						
<i>Passed Through Ohio Department of Education</i>						
School to Work	WK-BE 2000	17.249	36,693		54,210	
Total Federal Assistance			<u>\$1,865,304</u>	<u>\$113,797</u>	<u>\$1,889,057</u>	<u>\$120,100</u>

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

**KETTERING CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
JUNE 30, 2001**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) summarizes activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - NUTRITION CLUSTER**

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State Grants and local funds. It is assumed federal monies are expended first.

**NOTE C - MATCHING REQUIREMENTS**

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



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

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

To the Board of Education:

We have audited the financial statements of Kettering City School District (the District) as of and for the year ended June 30, 2001, and have issued our report thereon dated December 4, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 4, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 4, 2001.

Kettering City School District  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

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

**Jim Petro**  
Auditor of State

December 4, 2001





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

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

To the Board of Education:

**Compliance**

We have audited the compliance of Kettering City School District (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2001. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, Kettering City School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2001.

**Internal Control Over Compliance**

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

**Internal Control Over Compliance  
(Continued)**

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

**Schedule of Federal Awards Receipts and Expenditures**

We have audited the general-purpose financial statements of the District as of and for the year ended June 30, 2001, and have issued our report thereon dated December 4, 2001. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of federal awards receipts and expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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

**Jim Petro**  
Auditor of State

December 4, 2001

**KETTERING CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
JUNE 30, 2001**

**1. SUMMARY OF AUDITOR'S RESULTS**

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

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

None

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

None

**KETTERING CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

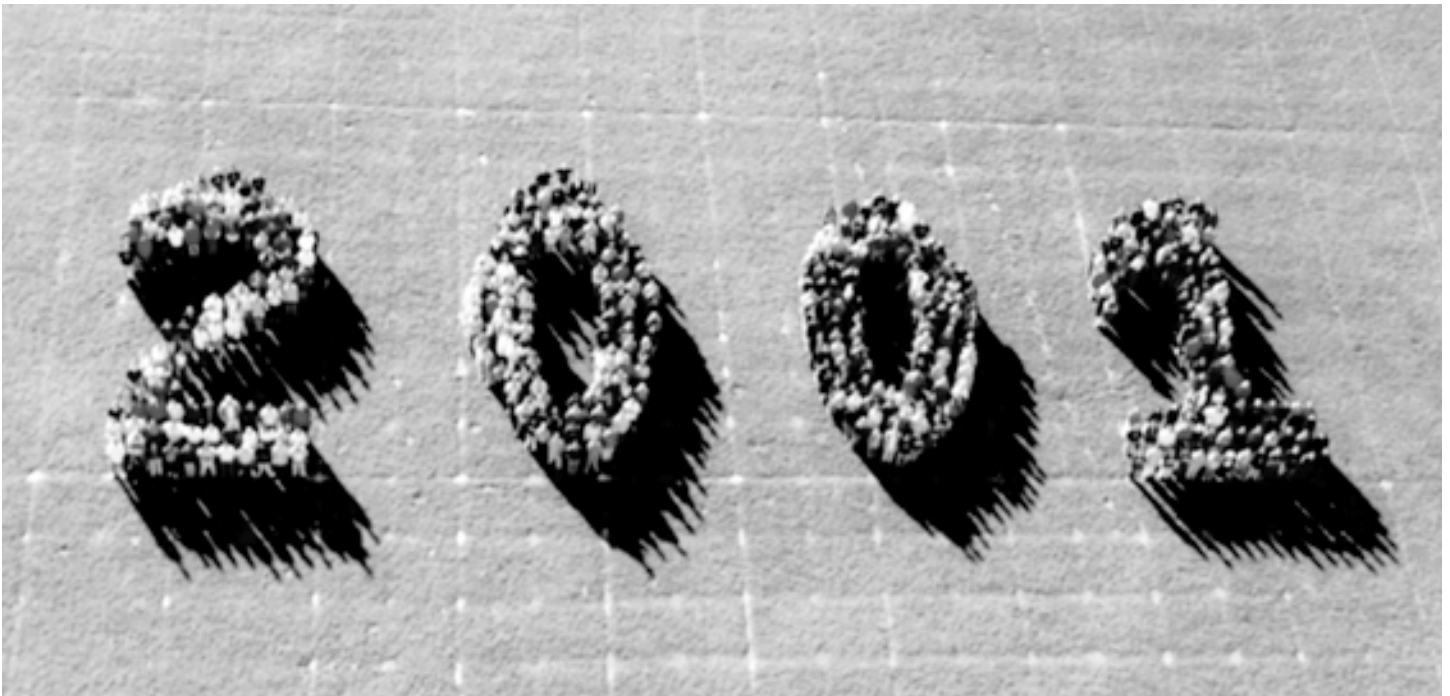
**SCHEDULE OF PRIOR YEAR FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
JUNE 30, 2001**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2000-10357-001	Ohio Rev. Code Section 5705.40 - Amending appropriations	Yes	Corrected - No exceptions noted for CY 2001
2000-10357-002	Ohio Rev. Code Section 5705.41(B) - Expenditures in excess of appropriations	Partially Corrected	Immaterial variances noted and disclosed to management.
2000-10357-003	Ohio Rev. Code Section 5705.36 - Dental fund not included in budgetary expenditures and revenues	Yes	Corrected - No exceptions noted for CY 2001

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# KETTERING CITY SCHOOL DISTRICT

KETTERING, OHIO



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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KETTERING CITY SCHOOL DISTRICT  
KETTERING, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001



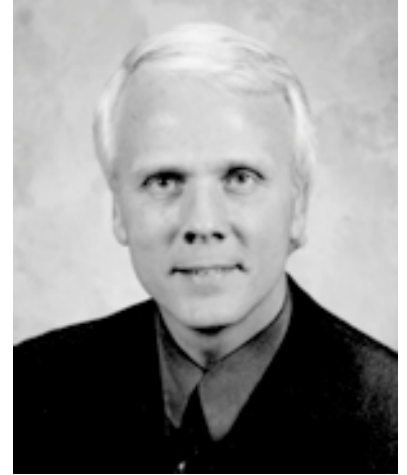
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PREPARED BY: OFFICE OF THE TREASURER

STEVEN G. CLARK  
TREASURER

# KETTERING CITY SCHOOL

## BOARD OF EDUCATION





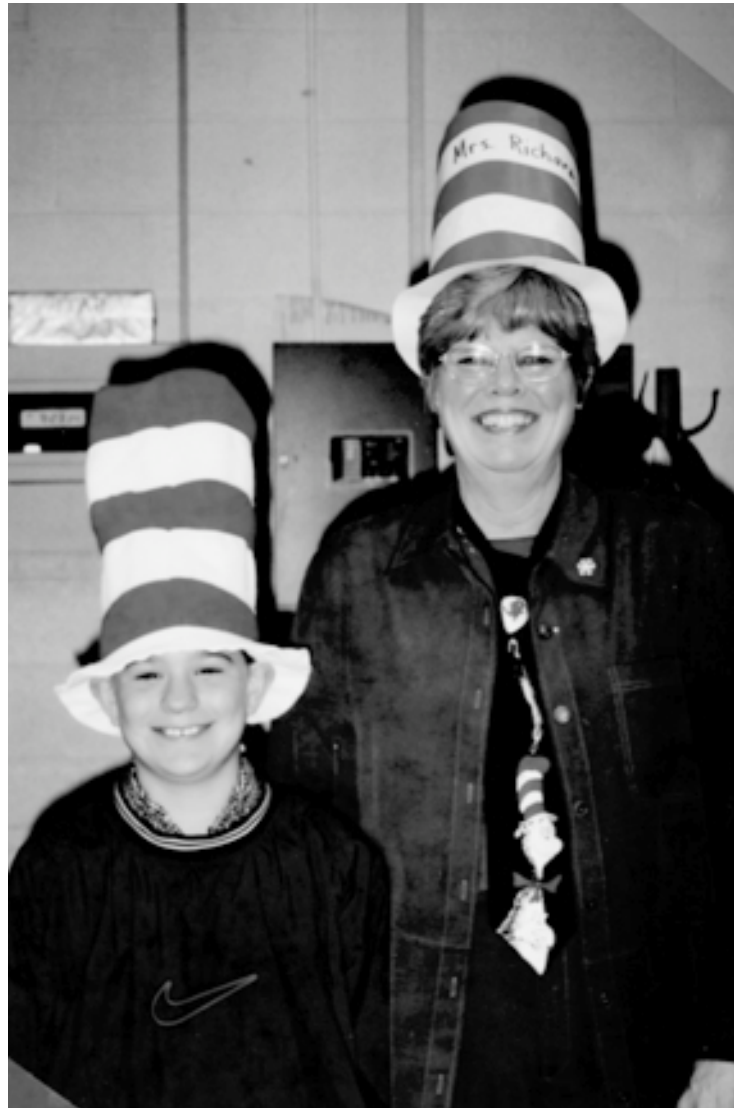
# INTRODUCTORY SECTION

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KETTERING CITY SCHOOL DISTRICT

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KETTERING CITY SCHOOL DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

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KETTERING CITY SCHOOL DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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# Kettering City School District

December 4, 2001

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

We are pleased to present the eighth Comprehensive Annual Financial Report (CAFR) of the Kettering City School District for the fiscal year ended June 30, 2001. This report was prepared by the Treasurer's Office, and includes the unqualified opinion of our independent auditors, The Ohio Auditor of State. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. The CAFR conforms to generally accepted accounting principles (GAAP) applicable to governmental entities.

The CAFR is presented in three sections:

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

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

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

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

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

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

Serving The Children



Of Kettering And Moraine

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## HISTORY AND BACKGROUND

The year 2001 marked the 160th year of existence for the Van Buren Township/ Kettering City School District. Van Buren Township was established on June 26, 1841, through separation from Dayton. The township was at first divided into small one-room district schools (#1, #6, #9, #10, #11 and #12) and later into Carrmonte, Pasadena and Fairmont elementary districts. Oakwood and Belmont were originally part of Van Buren Township. Oakwood formed its own district in 1926. Later, the Belmont area was annexed to Dayton.

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

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

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

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

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

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

Kettering was a very civic-minded man, directing both his efforts and funds into the Sloan-Kettering Institute for Cancer Research, the Kettering Foundation, which works to strengthen the public role in government, educational and science policy, and the Miami Conservancy District, instrumental in flood control.

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

The Kettering City School District currently has a population of about 61,940 and covers 21.3 square miles. The City of Moraine has 6,854 residents of whom approximately 1,371 reside within the Kettering



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City School District and encompasses 9.22 square miles of which approximately 2.9 are within the Kettering City School District.

The official opening enrollment of the District was 7,751 (approximately 199 from Moraine) enrolled in nine elementary schools, two middle schools and one high school during the 2000-01 school year. Other facilities operated by the District include a maintenance building, a transportation building, and the Central Office Building that had been a high school and junior high school previously. The Central Office Building also houses the district's alternative high school program.

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

## ORGANIZATION OF THE DISTRICT

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

The Board members on June 30, 2001 were as follows:

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

The Superintendent is the chief executive officer of the District, responsible directly to the Board for all operations. Dr. Robert A. Mengerink was appointed as Superintendent effective August 1, 1998.

The Treasurer/CFO is the chief financial officer of the District, responsible directly to the Board for maintaining all financial records, issuing all payments, maintaining custody of all District funds and assets, and investing idle funds as specified by Ohio Law. Steven G. Clark was appointed Treasurer effective January 3, 2000.

## ECONOMIC CONDITION AND OUTLOOK

The economic environment for Kettering's business community continued to be one of relative stability during 2000. Kettering's unemployment rate has consistently run well below the averages for the local area, the State of Ohio and the United States. This trend continued in 2000. Kettering's unemployment rate for 2000 was 1.9% compared to rates of 3.8% for Montgomery County, 4.1% for the State of Ohio and 4.0% for the United States.

Kettering's broad range of businesses includes several major employers. The largest of these is Delphi Automotive Systems, a former division of General Motors, employing about 2,600 people in Kettering. Since spinning off from General Motors early in 1999, Delphi Automotive Systems' financial future continues to improve. The Kettering facility will be a key manufacturing site for the company's new Magnetite suspension system. The new system utilizes the very latest in technology and will be produced for a North American customer in 2002 with a second contract to be fulfilled in 2003. Also, the company is expanding the Kettering plant's production capability for the Continuously Variable Real Time Damping System, another product that should make Kettering more competitive. It appears that the company and its employees are very serious about plans that they agreed to in 1998 to make the plants profitable again.

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The progress that has been made since the spin-off has been a win-win situation for Kettering and the entire Miami Valley.

The City's second largest employer is the Kettering Medical Center (KMC) employing about 2,500 people. During 1999, Kettering Medical Center and Grandview Hospital completed the merger that began three years ago. Hospital officials said that the public can expect more coordinated care at all of the new hospital's facilities, improved access to KMC and Grandview under the expanded system and financially stronger institutions. Both KMC and Grandview are profitable institutions and officials believe that the combined hospitals will be even more profitable in future years through the efficiencies they project will result from the merger. With the merger complete, Kettering Medical Center began some significant capital improvements to its Kettering Facility during 2000. The improvements include construction of a 10,500-square-foot addition to the administrative wing and a four-story, 19,500 square foot addition to the south end of the main hospital to accommodate 40 new beds and to allow relocation of the helipad. Also, a four-story, 172-car parking garage addition is under construction, as well as a four-story, 74,100-square-foot addition to the Kettering College of Medical Arts facility. It would appear that KMC is continuing to look to the future with an emphasis on meeting the changing needs of the healthcare industry and improving the effectiveness of all patient services.

Kettering's future economic outlook continues to look promising. The emphasis by the City through a number of different efforts on economic development both within Kettering and regionally is a high priority. The City's Assistant to the City Manager for Economic Development is responsible for promoting Kettering as a good place to do business for new businesses, as well as existing Kettering businesses. It seems that the business community agrees. Reynolds and Reynolds, a Fortune 1000 company based in Dayton since 1866, is currently building its Phase II facility in the Miami Valley Research Park. This 350,000 square foot facility will employ over 800 and is a very nice complement to its existing 250,000 square foot facility employing over 700. The employees should begin moving into the newest facility before the end of 2001. The City also began redevelopment of Governor's Place (the former Hills and Dales Shopping Center) by demolishing the building and creating a site plan during 2000. Heapy Engineering will be the first owner on the site with a new 40,000 square foot facility housing more than 100 employees. Circuit Pak, a producer of circuit boards, is building a new 45,000 square foot facility adjacent to the new School of Advertising Arts. Also, UnitedHealthcare announced that it will bring 300 jobs to a new claims center at the Miami Valley Research Park.

In addition to the more significant expansions and additions in the Kettering business community, over 70 small businesses opened and expanded in Kettering creating over 700 jobs.

#### Economic Conditions and Outlook (Moraine)

The local economy remained stable in 2000. Income tax, the City's largest revenue source, increased by more than 4.2 percent in 2000, and overall revenues increased by over 9.0 percent. The majority of this increase came through increased income taxes, investment earnings and admissions from the new water park and recreation center. Overall employment remained strong and stable. Some of the highlights for the year are described below:

DMAX, a joint effort between ISUZU Motors and General Motors, which completed construction of a 650,000 square foot diesel engine manufacturing and testing facility late in 1999 is running ahead of schedule on operations and adding employees. Construction of a 200,000 square foot facility for R & N Management, a supplier for General Motors, began in late 2000 and is expected to be operational by summer 2001. These projects and several others will help create new jobs and retain current jobs in Moraine.

In early 2001, Delphi publicly announced that a significant number of jobs would be lost at their locations in the City of Moraine. The City is working closely with Delphi to retain as many jobs as possible. The City

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continues to be aggressive in economic activities to attract new businesses and maintain the businesses already located within the City.

There were six new businesses, which moved into Moraine during the year. In addition to the new businesses, several of the existing businesses expanded during 2000.

During the year, there were seventy-five single-family home permits and no multi-family apartment permits issued. There were 221 building permits issued during the year with a total construction value of over \$15.1 million.

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

## EMPLOYEE RELATIONS

The Board employs 934 full-time-equivalent (FTE) employees (including non-teaching personnel). Of the Board's current employees, 567 (FTE) are certificated by the Ohio Department of Education serving as classroom teachers, education specialists and administrators, all of whom have at least a bachelor's degree and 285 of whom hold advanced degrees. The starting salary for a teacher with a bachelor's degree for the period beginning August 1, 2000 was \$26,290. The maximum teacher salary in 2000-2001 for a master's degree was \$59,941 with 28 years longevity.

516 of the Board's certificated teachers and educational specialists are members of the Kettering Education Association ("KEA") which is a labor organization affiliated with the Ohio Education Association. The present contract between the Board and the Association became effective July 1, 2000 and expires May 31, 2003.

All of the Board's 367 (FTE) classified employees except the classified administrators (11) and exempted clerical staff (8) are members of the Ohio Association of Public School Employees ("OAPSE") which is a labor organization affiliated with the American Federation of State, County and Municipal Employees ("AFSCME"). The present contract between the Board and OAPSE became effective August 1, 2000 and expires July 31, 2003.

These agreements marked a continuation of the historical turn in labor relations between the District, KEA, and OAPSE. The collaborative interest-based bargaining approach that involves the exchange of ideas, concerns and mutual problem solving to improve the instruction of students and to address the needs of the District in a cooperative manner was used and resulted in a Third consecutive 3-year negotiated agreement with both employee bargaining groups.

## MAJOR INITIATIVES

### For the Year

At its meeting on September 25, 2000 the Kettering Board of Education approved the district's Continuous Improvement Plan, or CIP. The development of a district CIP is required by the state legislature for any school district that is either a Continuous Improvement, Academic Watch or Academic Emergency district, as categorized on the State Report Card.

In its latest State Report Card, the Kettering Schools achieved 19 of the 27 Indicators, putting the district in the Continuous Improvement category. As a result, the district began the process of developing CIPs at the district level and at the individual school and/or department levels. The building-level plans are intended to compliment efforts to meet the goals of the district CIP.

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The following are the four goals of the Kettering City Schools District's Continuous Improvement Plan, as well as Performance Indicators and the Strategies for meeting each goal. Progress on each goal will be regularly monitored by building principals, department directors, central office administrators and the Board of Education.

### **Goal #1**

Within two years (June 2003), the Kettering City Schools will annually receive an Effective Performance Accountability Rating on the Ohio Department of Education's Report Card.

#### Performance Indicators

- Proficiency Test Scores, at all levels where testing is required, will exceed the state minimum standard by June 2003.
- By June 2003, a minimum of 90 percent of the students in the Kettering City Schools will graduate with their cohort
- By June 2003, the attendance rate for the Kettering City Schools will be a minimum of 93 percent.
- There will be minimum 3% gain in each of the proficiency tests target areas annually. (Target Area = Proficiency Test area that did not meet state minimum standards the previous year.

#### Strategy

With the leadership of the building administrators, action plans will be developed at the building level that will enhance the opportunity for the Kettering City School District to obtain and maintain an Effective rating as designated by the Ohio Department of Education.

### **Goal #2**

Our District practices, structures and policies will support improvement of teaching and learning for all children.

#### Performance Indicators

- Every employee will be encouraged to take part in a variety of professional development activities each academic year.
- Financial resources will be allocated to support these opportunities.
- By January 18, 2002, the assessment of the Instructional Services Department and recommendations for revision will be presented to the Board of Education.
- By April 2002, the Observation and Evaluation report will be shared with the Superintendent.

#### Strategies

- Staff development opportunities will be developed at the district and the building level.
- Instructional Services Department will be assessed to determine effectiveness and efficiency.
- Teacher observation and evaluation processes will be examined for effectiveness.
- The Kettering City Schools will teach the whole child, supporting programs in such areas as the arts, athletics, a wide range of extra-curricular activities and guidance and career-related programs.

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### **Goal #3**

The Kettering Schools will continue to develop partnerships and linkages with community members in order to identify our schools as centers of community wide learning.

#### Performance Indicators

- By June 2003, all schools will have at least one formal community/business partner.
- By June 2003, all schools will develop a system to quantify all formal and informal community linkages.
- By June 2003, all schools will develop a system to tabulate volunteer activities.
- By June 2003, the district will have in place a more thorough system to publicize opportunities for volunteers, to survey the effectiveness of volunteers and to share the positive results of volunteers in our schools.
- By June 2003, the principal and supervisor of each building will develop a list of existing and expanded ways that our schools and facilities have been and can be used by community members or agencies.

#### Strategies

- The district will investigate the possibility of employing a district wide, part-time volunteer coordinator
- The district will expand ways to re-connect community members with our school district by making school facilities and programs more accessible.

### **Goal #4**

Annually, the Kettering City Schools will increase the use of existing and emerging electronic technologies to improve teaching and student performance and to provide universal community access to district curriculum, instruction and information.

#### Performance Indicators

- By August 2002, the district's curriculum guides will include grade-level technology performance objectives.
- By June 2003, electronic communications throughout the district and from school-to-home will be used regularly by employees.
- By June 2003, staff-maintained web pages will be linked to the district web site.
- By August 2003, an electronic reporting system will be used for student records.

#### Strategies

- Technology performance objectives will be integrated into the current K-12 curriculum
- All district employees will be encouraged to use the telecommunication network for district news and for school/home communication.
- All staff members will be encouraged to use classroom web pages to distribute school information and to provide curriculum and instruction to the students and community.
- All staff members will be encouraged to use student management software for attendance and grades.
- Opportunities for technology staff development will be incorporated into the district's professional development plan.

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## For the Future

The Kettering City Schools have always had in place a Mentorship Program designed to assist both new teachers just entering the field and teachers new to the district in acclimating themselves to teaching as a profession and to the Kettering Schools as a place of professional employment.

In recent years, the research of Charlotte Danielson into the methods of effective teaching has resulted in the development of a framework that evaluates teachers and their teaching abilities. This framework – which includes the four “Domains” or Interpersonal Relationships, Processional Activities, Classroom Management and Curriculum and Instruction – has been adopted by the Ohio Department of Education as an assessment tool to evaluate beginning teachers.

Beginning with the 2002-03 school year, every beginning teacher in Ohio will be evaluated after their first year of teaching and will be required to achieve a minimum score on this evaluation in order to receive their professional license.

In response to this new method of new teacher evaluation, the Kettering City Schools is in the process of re-designing its Mentorship Program. “A new teacher just out of college is going to be required to pass this test in order to achieve professional licensure. It only makes sense that we place these beginning teachers with mentors who have been trained to understand this same framework of “Effective Teaching and the Four Domains” that are a part of that evaluation process, says Frank Spolrich, director of human resource services for the Kettering Schools.

The district’s new Mentorship Program will be divided into two levels. The first level will essentially mirror the district’s current program in that it will pair a veteran mentor with an experienced teacher who is new to the district. The mentor will provide support to the teacher. However, this level of the program will be less intense than the second level of the Mentorship Program, which will be specifically designed for new teachers just entering the field.

While this second level will include those important factors of support and socialization for the new teacher, it will also focus more intently on teaching and instruction during that first year. “We are in the process of training a group of teachers to serve as mentors for this second level of the program,” says Mr. Spolrich. “It is going to become increasingly important that our beginning teachers are paired up with a mentor who “talks the same talk” and “walks the same walk” as the new teacher. The goal of this new mentorship program will be to assist that beginning teacher through his or her first year as they work toward the successful completion of the assessment and, ultimately, toward the achievement of professional licensure.”

## Fourth-Grade Proficiency Test Improvement

Designed to test a student’s proficiency in the areas of fourth-grade reading, writing, math, science and citizenship, the Fourth-Grade Proficiency Test took on new meaning in 1999, when the Ohio Legislature enacted the “Fourth-Grade Guarantee.” This “Guarantee” says that a student who does not pass the reading portion of the Fourth-Grade Proficiency Test may not matriculate to the fifth grade, at the discretion of the building principal and the child’s teacher.

With a commitment to reading proficiency, the Kettering Schools began actively participating last year in the Miami Valley Reads program, which is the locally based extension of Gov. Bob Taft’s statewide initiative, Ohio Reads. This year, with renewed emphasis on improvement in all areas of the Fourth-Grade Proficiency Test, the district’s Elementary Education Director initiated a Fourth-Grade Teacher Proficiency Summit and held work sessions with all of the elementary principals. During these sessions a representative group of fourth-grade teachers - working with principals and under the guidance of the elementary education director - developed both short and long-term improvement strategies that include:

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- 1) Placement of a classroom aide at each elementary building - A classroom aide will work at each of the district's nine elementary buildings for the equivalent of four hours per day from November 1 to March 30. These aides will work one-on-one or in small groups with those students recommended by the classroom teachers. Their expertise, coupled with data from the off-grade proficiency test will aid the teachers in identifying those students who could best benefit from this type of small-group intervention and improve upon their performance on the Fourth-Grade Proficiency Test.
  - 2) Curriculum mapping - Twelve of the district's 29 fourth-grade teachers have less than two years of experience teaching fourth grade, and seven of these 12 are first-year teachers. With this in mind, the curriculum department talked with a group of fourth-grade teachers to determine when various learning outcomes are emphasized in relation to the administration of the Proficiency Test. "What we wanted to find out when we talked to the 'veteran' fourth-grade teachers was an idea of when they teach what they teach to their students so that they are really hitting on those major items that are covered on the Proficiency Test," says Norm Knowlton, Elementary Education Director. "After we did that, then we were able to come up with organizational tips for all of our fourth-grade teachers so that they have a better idea of what should be emphasized prior to the administration of the Proficiency Test. This is not to say that other items are not important to the student's learning, but rather, that some of these things can be taught in April and May, after the test has been given.
  - 3) Proficiency Vocabulary - In order to answer a question correctly, a student needs to correctly understand the question. In other words, if the vocabulary used in a question on the test is not clearly understood by the student, chances are they won't do as well as they would if the words were familiar to them. With this in mid, a group of fourth-grade teachers developed a "Proficiency Vocabulary Book" that includes a listing of words used on the test that may not be familiar to a student. The book has been distributed to every elementary building, and all teachers and other staff members are using the different words in everyday conversation with students so that they get used to the words and will better understand their meanings if they encounter them on the Proficiency Test.
  - 4) Summer School - In addition to the mandated summer proficiency intervention for third and fourth-grade students who don't score well on the reading portion of the test, individual summer school programs will also be designed by each school. According to Mr. Knowlton, the goal will be to give the teachers and principals the opportunity to help build the type of summer program that will best suit the needs of their students. "For some that may mean a kind of summer school 'boost' right before the next school year starts, for others it might mean a program that last all summer long. This is something that we will be working on and developing with our teachers and principals over the remainder of the school year," he says.
  - 5) Technology - This will include two components: Increased technology education for teachers and improved hardware and software in the school buildings. "Our teachers want to do more with technology and to better integrate it into the different subject areas," says Mr. Knowlton. "In order to do this, we'll need to enhance our computer hardware so that it can handle the new software that is available to teachers today. We'll also need to provide ongoing education so that our teachers can better integrate technology into the curriculum and can do so in a way that maximizes the education and learning potential of the technology."

### Graduation Rate Improvement

Over the past four years, the Kettering City School District has cut its drop-out rate almost in half, and is committed to working toward even greater improvement as the secondary curriculum department - in partnership with the secondary principals - continues several successful initiatives and works toward implementation of one new one.

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“One of the first things we tried to do at Fairmont when we made the commitment four years ago to really tackle the drop-out problem was to work at making the high school a friendlier, more welcoming and inviting place for our students,” says Dr. Schoenlein, Director of Secondary Education and former principal of Kettering Fairmont High School. “A huge, mall-like high school can be a very impersonal place, and it’s absolutely devastating for at-risk students. What we had to do was look at things we could do to make our big school seem ‘smaller’ and more friendly for all of our students.”

To accomplish this, says Dr. Schoenlein, the staff at Fairmont High School put in place these successful initiatives over the past few years:

- **Advisory Periods** - A group of about 20 students is assigned to each teacher for the four years the student is at Fairmont. “That advisor is there to just listen and give advice, when asked,” says Dr. Schoenlein. “The advisor isn’t the one who grades that student or disciplines him. Instead, he’s there simply to serve as that student’s advocate, and this has proven to be very successful for all of our students.
- **Emphasis on Career** - We have a theme at the high school, that goes like this: “What are you going to do and be someday?” says Dr. Schoenlein. “Our goal is to give kids direction and focus. This, in turn, gives meaning to what they do in class every day.”
- **A Strong Career Tech Program** - The Career Tech Program at Fairmont High School has exploded in the past five years, with opportunities for students to take Tech Prep courses in everything from engineering technology to allied health. “Our career tech program has grown into an extremely successful and viable option for students at the high school,” says Dr. Schoenlein.
- **A Sense of Belonging** - The administration and staff at Fairmont High School are trying very hard to cause each and every student to feel that Fairmont is their school by recognizing them, awarding them and rewarding them and by inviting and encouraging them to take part in all facets of school life. For example, attendance at the Homecoming Dance has increased from 550 to 1200 students in the last four years.

The new initiative that Dr. Schoenlein and the secondary staff are working on is an Alternative School. The program will have five main components: work experience, community service, Proficiency Test tutoring, classroom and individual instruction. The establishment of an Alternative School is recognition on the part of the district that the traditional seven-hour school day is not always the best option for every young person out there.

It is, says Dr. Schoenlein, “a realization that we need to be more flexible and more willing to accommodate the lifestyles of some of our students if we are going to help them get that high school degree.

In the event that this five-component program does not work for a student, the alternative program will serve as a “home schooling” resource for the student. “There are a number of ways that a student can get an education, including the Nebraska Plan, the American School diploma and ECOT, which is the Electronic Classroom of Tomorrow,” says Dr. Schoenlein.

“The whole issue of student drop outs is a ‘big-picture’ issue, and there are a lot of pieces to the puzzle - a lot of reasons why kids drop out and a lot of things that we can do to try to help them.” “Our goal as educators should be to help all students find their place in society, to become productive workers, respectful people and responsible citizens. What we’ve done over the past four years to become more student-centered and more career-focused has helped us cut our drop-out rate in half,” says Dr. Schoenlein. “With the alternative program, I really believe that we’ll be able to equip all of our students with the knowledge, skills and attitudes to be productive members of the community.”



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## DEPARTMENTAL FOCUS

The Kettering City Schools' Food and Nutrition Services Department is unique in that it is the only department within the district that is required by Board of Education policy to be self-supportive. "Our department is the one department that must be self-sufficient, which means we actually create our budget for the year based upon what we expect our revenues to be," says Louise Hodge, supervisor of the Food & Nutrition Services Department.

In determining her budget, Mrs. Hodge must take into consideration her department's payroll and benefits costs, the cost of repairing old equipment or purchasing any needed new equipment and food and supply costs. "I think that a lot of people – even within the district – are unaware of the fact that we pay for all of our staffing costs and for every food item or supply that's used with the revenue that we make from our breakfast and lunch programs and our catering services," says Mrs. Hodge. "I like to explain to people that our department is a lot like any other retail business in that our sales have to cover our expenses."

### Food and Nutrition Services Personnel

The Food and Nutrition Services Department is made up of the following staff members:

- 1 Supervisor
- 2 Secretaries
- 1 Truck Driver
- 12 Kitchen Managers
- 13 Cooks
- 25 Servers

The department functions with a Central Kitchen and On-Site and Satellite kitchens. The Central Kitchen, located at Fairmont High School, prepares all of the food for the high school's 2,400 students and 215 staff members; hot entrée items for each of the district's nine elementary schools; and hot meals for the students in the Pathfinders Preschool Program, located in the D.L. Barnes Building. The district's two middle schools have On-Site Kitchens, where the cooks prepare the meals for all students and staff members, and the Food and Nutrition workers at the Satellite Kitchens in the district's elementary schools prepare and serve the various items that compliment the day's main entrée.

### Preparing Thousands of Meals

When it comes to feeding thousands of students, teachers and staff members one – and sometimes two – meals every day of the school year, the statistics can be staggering. For example, on a typical day during lunch in the Kettering City School District, the Food & Nutrition Services Department serves:

- 605 Pounds of Hamburger Patties
- 1,140 Pounds of French Fries
- 80 Gallons of Peaches
- 100 Gallons of Chocolate Pudding
- 205 Gallons of Milk

In determining her menus, Mrs. Hodge and her staff have to take into consideration not only the likes and dislikes of their "customers," but also federal guidelines for school meals. "We are first and foremost bound by federal guidelines when setting our menus," says Mrs. Hodge. "The U.S. Department of Agriculture dictates what can and can't be served in a school cafeteria, and we have to make sure that we are always following these guidelines."

Coming up with menus becomes something of a creative juggling act, says Mrs. Hodge. "Working within these guidelines, we try really hard to identify menus that will be popular with the kids. We serve kids those "fun foods," like pizza and French fries, and always compliment our entrees with fruits, vegetables

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and salads. A typical kid is at a stage in life when they require a lot of calories because this is really when they are at their most active. So, we give them what they like to eat and also try to educate them about the importance of including all the food groups in their diets.”

Mrs. Hodge is inundated on a regular basis with new food or drink items that companies want her to include on her menus. Once she determines that an item falls somewhere within those federal guidelines, Mrs. Hodge takes all these samples to the “experts:” groups of students who are only too happy to give their opinions about the taste, packaging and potential popularity of an item.

“This is one of the really fun parts of my job. When I meet with my committees at the high school and Middle school, I know I can depend on the kids to let me know if a new item is going to work. They’re great about sharing their opinions, which are truly invaluable to us as we look at adding something to the menus.

### Customer Service

The mission of the Food & Nutrition Services Department is to.....

“Provide quality food, service and nutrition information to students, parents and school personnel in order to positively impact student academic performance, student behavior and success with the other educational ends of the school district.

“We Believe in putting the Student First”

“We Believe in Nutrition Integrity”

“We Believe in Serving Students with Dignity”

“We Believe in Fiscal Responsibility”

“We Believe in Good Communication and Teamwork”

The annual revenue for the Food & Nutrition Services Department is \$2 million, generated by:

- Student Breakfasts Served 70,520
- Student Lunches Served 601,978

In a typical school year, 65 percent of students participate in the school lunch program, and 13 percent of students are receiving free or reduced meals.

In addition to preparing and serving meals to students and staff members district-wide, the Food & Nutrition Services Department provides catering services. “Customer service is so important in our department, and we see catering as an added service to the district,” says Mrs. Hodge. “If we can provide this service for departmental meetings or special functions, then we see this as another way of providing service to the district.”

### FINANCIAL INFORMATION

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

### INTERNAL CONTROL

The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to

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

## SINGLE AUDIT ACT

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

The results of the District's single audit for the fiscal year ended June 30, 2001 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

## BUDGETARY CONTROLS

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

## GOVERNMENTAL FUNDS

The following table presents the table by source for the General Fund for the fiscal year ended June 30, 2001 and the percentage of increases and decreases in relation to prior year revenues.

Revenues	2001 Amount	Percent of Total	Increase (Decrease) From 2000	Percent of Increase (Decrease)
Taxes	\$43,400,486	76.21%	\$4,993,402	13.00%
Tuition and Fees	118,187	0.21%	(28,250)	-19.29%
Transportation	257,894	0.45%	75,873	41.68%
Earnings on Investments	1,534,530	2.69%	293,205	23.62%
Intergovernmental	11,147,663	19.58%	933,378	9.14%
Extracurricular Activities	61,831	0.11%	1,729	2.88%
Classroom Materials & Fees	7,574	0.01%	(128,940)	-94.45%
Other Local Revenues	419,585	0.74%	375,890	860.26%
<b>Total Revenues</b>	<b>\$56,947,750</b>	<b>100.00%</b>	<b>\$6,516,287</b>	<b>12.93%</b>

The 13% or \$4,993,402 increase in taxes was primarily due to the 3.2 mill additional operating levy passed by the voters on November 7, 2000 for collection beginning January 1, 2001. The 23.62% or \$293,205 increase in earnings on investments was due to our improved cash flow and managing our investment

portfolio more actively. The \$933,378 increase in intergovernmental was due to new grants and an increase in State Foundation. The \$375,890 increase in other revenues was due to refunds of prior year expenditures. The \$128,940 decrease in classroom materials & fees was due to our new procedure of these revenues to be accounted for in another fund rather than in the General Fund.

The following table presents the amount of expenditures by function for the General Fund for the fiscal year ended June 30, 2001 and the percentage of increases and decreases in relation to prior year expenditures.

Expenditures	2001 Amount	Percent of Total	Increase (Decrease) From 2000	Percent of Increase (Decrease)
<b>Instruction:</b>				
Regular	\$23,576,223	44.99%	\$1,499,121	6.79%
Special	3,653,352	6.97%	369,325	11.25%
Vocational	1,506,382	2.87%	34,248	2.33%
Adult/Continuing	37,138	0.07%	(38,318)	-50.78%
Other	1,490,833	2.85%	330,672	28.50%
<b>Support Services:</b>				
Pupils	3,689,028	7.04%	321,397	9.54%
Instructional Staff	2,258,215	4.31%	253,641	12.65%
Board of Education	48,890	0.09%	7,008	16.73%
Administration	4,426,041	8.45%	236,431	5.64%
Fiscal Services	1,255,064	2.40%	107,965	9.41%
Business	704,132	1.34%	(40,724)	-5.47%
Operation and Maintenance of Plant	5,481,783	10.46%	180,452	3.40%
Pupil Transportation	2,059,335	3.93%	253,584	14.04%
Central	869,380	1.66%	184,039	26.85%
Non-Instructional Services	1,283	0.00%	(224)	-14.86%
Extracurricular Activities	928,070	1.77%	62,737	7.25%
Facilities Acquisitions and Construction	43,869	0.08%	(39,534)	-47.40%
Debt Services	372,353	0.71%	220,930	145.90%
<b>Total Expenditures</b>	<b>\$52,401,371</b>	<b>100.00%</b>	<b>\$3,942,750</b>	<b>8.14%</b>

The 8.14% increase in expenditures was due primarily to an increase in salaries of 3% in addition to the 1.5% increase required to finance annual salary step increments and salary increases for additional educational training. The increase of \$369,325 in special instruction was due to the change in State funding which now requires districts to pay for tuition for special students attending the County Program from the General Fund rather than the State paying the County directly.

With General Fund revenue exceeding expenditures by \$4,546,379, the District remains in a stable financial position and is projected to remain so for the next four fiscal years.

#### Special Revenue Funds

Special Revenue Funds account for certain revenue sources restricted by law or other formal actions to be expended for a specific purpose. The sources are primarily grants and entitlements. All Special Revenue Funds on a combined basis operated with \$4,373,508 in revenues and \$4,272,232 in expenditures in fiscal year 2001.

#### Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources

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when the government is obligated in some manner for the payment. It is also used to account for the accumulation of resources and payment of general obligation notes payable, as required by Ohio Law. The Debt Service Fund ended the 2001 fiscal year with a balance of \$809,347.

#### Capital Projects Fund

The District's Capital Projects Funds are used to account for the purchase of equipment and the financing of major improvement projects. District Capital Projects Funds ended the 2001 fiscal year with a balance of \$2,099,231.

#### Trust and Agency Funds And Nonexpendable Trust

Trust and Agency Funds require a fiduciary relationship in their management by the District. The Trust Fund currently carried on the records of the District represents an expendable trust for memorial, scholarship, and other special purposes requested by individuals or groups of individuals, and a non-expendable trust for the Charles Craig Memorial. The Agency Fund utilized by the District is a Student Managed Activities Fund. Agency Fund liabilities totaled \$94,614 as of June 30, 2001 for the Student Managed Activities.

#### Enterprise Funds

The District's Enterprise Funds are Food Service, Uniform School Supplies, Rotary Special Services, and Special Enterprise Funds. These funds are similar in nature to profit making activities found in the private sector and are managed accordingly. District Enterprise Funds operated in fiscal year 2001 with \$1,845,224 in revenue.

#### Internal Service Funds

The Internal Service Fund accounts for the District's Employee Benefits Self-Insurance which accounts for employee contributions for Section 125 Medical Reimbursement Benefits, and dental insurance which accounts for premiums received and the claims and administrative costs paid by the School District for employees. The Internal Service Fund showed retained earnings of \$323,454.

#### Debt Administration

At June 30, 2001, the District had three general obligation bond issues outstanding. The first, issued in 1994, is a general obligation bond issue to provide funds for the purpose of expanding and renovating Fairmont High, Oakview Elementary and Prass Elementary Schools. The principal balance of this issue at June 30, 2001 was \$13,580,000. The second, issued in fiscal year 1998, is a school energy conservation bond to provide funds for the purpose of energy efficient lighting, energy management system, and new boilers. The principal balance of this issue at June 30, 2001 was \$1,140,000. The third, issued during fiscal year 2001, is a school energy conservation improvement bonds for remodeling that would significantly reduce energy consumption in buildings owned by the District. The principal balance of this issue at June 30, 2001 was \$1,200,000. Under the current Ohio Revised Code, the District's general obligation bonded debt issuance's are subject to an overall direct legal debt limitation of 9% of the total assessed value of real and personal property or \$122,394,123 and an unvoted debt limitation of .1% of the total assessed valuation or \$1,359,935 for the District.

Other debt includes Energy Conservation Notes of \$15,000 issued under the Energy Conservation Bond Limitation (Ohio Revised Code Section 133.042) of .9% of the total assessed value of real and personal property or \$12,239,412 for the District.

The District's current bond rating is A1.

#### Risk Management

The District maintains protection for its assets and employees through a comprehensive insurance program. Insurance policies for vehicle fleet liability, general liability, property loss and boiler and machinery coverage are purchased from the Indiana Insurance Company and the Royal Insurance Company through the Brower Insurance Agency, P.L.L. Employee health insurance is provided by

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United Health Care and dental insurance is provided by a self-insured plan administered by CoreSource, a third party administrator. Additional information is presented in Note 8 to the General Purpose Financial Statements.

#### Cash Management

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

Interest earned for all Governmental and Fiduciary funds during the fiscal year was \$1,634,965 or approximately 2.6% of total revenues.

#### Independent Audit

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. The State Auditor performed the audit for the fiscal year ended June 30, 2001. The auditor's report on the District's general purpose financial statements, combining and individual fund statements and schedules, is included in the financial section of this Comprehensive Annual Financial Report.

#### Awards

The Government Finance Officers Association of the United State and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Kettering City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2000. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The Association of School Business Officials of the United States and Canada awarded a Certificate of Excellence in Financial Reporting to The Kettering City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2000. This award certifies that a Comprehensive Annual Financial Report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after an extensive review of the report by an expert panel of certified public accountants and practicing school business officials.

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

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Acknowledgments

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

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

Sincerely,



Steven G. Clark, Treasurer



Dr. Robert A. Mengerink, Superintendent

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Kettering City School  
District, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2000

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



*Samuel A. Brown*  
President

*Jeffrey L. Esch*  
Executive Director



**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**KETTERING CITY SCHOOL DISTRICT**

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2000

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

*Linda White*  
President

*Don t. Huges*  
Executive Director

KETTERING CITY SCHOOL DISTRICT, OHIO  
LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2001

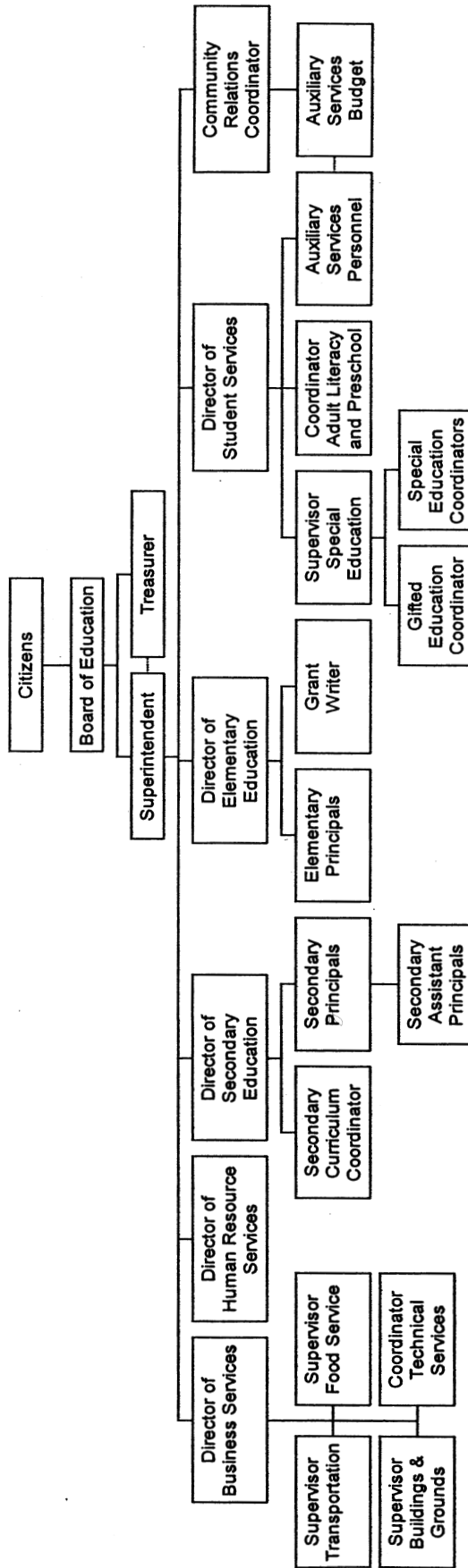
ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

SUPERINTENDENT	.....	DR. ROBERT A. MENERINK
TREASURER	.....	MR. STEVEN G. CLARK
DIRECTOR - STUDENT SERVICES	.....	MR. WILLIAM J. LAUTAR
DIRECTOR - HUMAN RESOURCES	.....	MR. FRANK SPOLRICH
DIRECTOR - BUSINESS SERVICES	.....	MR. KEN LACKEY
SUPERVISOR - SPECIAL EDUCATION	.....	MRS. SUSAN D. NELSON

## Kettering School District Organizational Chart



KETTERING CITY SCHOOL DISTRICT

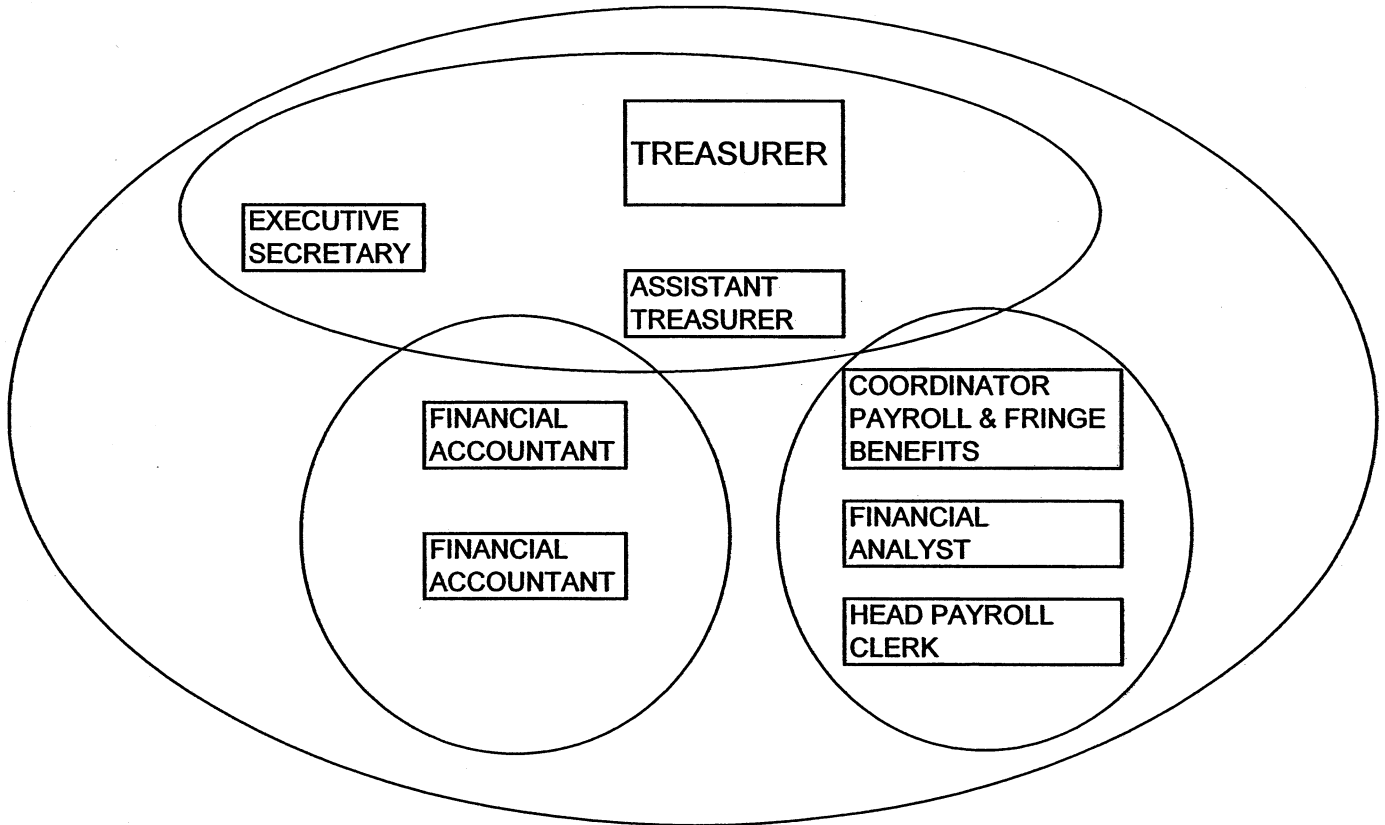
OFFICE OF THE TREASURER

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Steven G. Clark  
Rosalinda G. Revels  
Jill E. Lopez  
Paula L. Calderone  
B. Diane Pence  
Denise Hargis  
Robin Keogh  
Sonia G. Dermis

Treasurer  
Assistant Treasurer  
Coordinator - Payroll & Fringe Benefits  
Financial Analyst  
Executive Secretary  
Financial Accountant  
Financial Accountant  
Head Payroll Clerk

**TEAM ORGANIZATION**



# FINANCIAL SECTION

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# KETTERING CITY SCHOOL DISTRICT

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STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

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

## REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Education:

We have audited the accompanying general-purpose financial statements of the Kettering City School District, Montgomery County, (the District) as of and for the year ended June 30, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Kettering City School District, Montgomery County, as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2001 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

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

**Jim Petro**  
Auditor of State

December 4, 2001



## GENERAL PURPOSE FINANCIAL STATEMENTS

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The following general purpose financial statements, along with notes to general purpose financial statements, present an overview of the School District's financial position at June 30, 2001 and the results of operations and cash flows of its proprietary funds and non-expendable trust fund for the year then ended.

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KETTERING CITY SCHOOL DISTRICT  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Assets and Other Debits</b>				
<b>Assets:</b>				
Equity in Pooled Cash and				
Cash Equivalents	\$15,375,317	\$1,620,580	\$729,830	\$2,311,542
Investment	5,773,235	0	0	0
<b>Receivables:</b>				
Taxes	45,122,094	0	1,050,508	713,427
Accounts	44,704	0	0	0
Accrued Interest	225,792	0	0	0
Intergovernmental	0	230,790	0	0
Materials and Supplies Inventory	330,415	0	0	0
Inventory for Resale	0	0	0	0
<b>Restricted Assets:</b>				
Cash and Cash Equivalents;	0	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
<b>Other Debits:</b>				
Amount Available in Debt Service Fund	0	0	0	0
Amount to be Provided for Retirement of General Long-Term Debt	0	0	0	0
<b>Total Assets and Other Debits</b>	<b>\$66,871,557</b>	<b>\$1,851,370</b>	<b>\$1,780,338</b>	<b>\$3,024,969</b>
<b>Liabilities, Equity and Other Credits</b>				
<b>Liabilities:</b>				
Accounts Payable	557,612	215,077	786	262,025
Accrued Wages	5,666,026	266,421	0	0
Claims Payable	0	0	0	0
Compensated Absences Payable	0	0	0	0
Intergovernmental Payable	820,981	35,026	0	0
Due to Students	0	0	0	0
Deferred Revenue	42,556,804	87,027	970,205	663,713
Notes Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Premiums on General Obligation Bonds	0	0	0	0
<b>Total Liabilities</b>	<b>49,601,423</b>	<b>603,551</b>	<b>970,991</b>	<b>925,738</b>
<b>Equity and Other Credits:</b>				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
<b>Retained Earnings:</b>				
Unreserved	0	0	0	0
<b>Fund Balances:</b>				
Reserved for Encumbrances	806,222	417,089	0	297,524
Reserved for Debt Service	0	0	809,347	0
Reserved for Charles Graig Memorial	0	0	0	0
Reserved for Inventory	330,415	0	0	0
Reserved for Property Tax	2,565,290	0	0	49,714
Unreserved	13,568,207	830,730	0	1,751,993
<b>Total Equity and Other Credits</b>	<b>17,270,134</b>	<b>1,247,819</b>	<b>809,347</b>	<b>2,099,231</b>
<b>Total Liabilities, Equity and Other Credits</b>	<b>\$66,871,557</b>	<b>\$1,851,370</b>	<b>\$1,780,338</b>	<b>\$3,024,969</b>

See accompanying notes to the general purpose financial statements

Proprietary Fund Types		Fiduciary Fund Type	Account	Groups	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	Total (Memorandum Only)
\$661,548	\$500,323	\$176,975	\$0	\$0	\$21,376,115
0	0	0			5,773,235
0	0	0	0	0	46,886,029
47	0	0	0	0	44,751
0	58	0	0	0	225,850
61,480	0	0	0	0	292,270
0	0	0	0	0	330,415
36,450	0	0	0	0	36,450
0	0	10,000	0	0	10,000
149,401	0	0	40,854,636	0	41,004,037
0	0	0	0	809,347	809,347
0	0	0	0	20,827,637	20,827,637
<u>\$908,926</u>	<u>\$500,381</u>	<u>\$186,975</u>	<u>\$40,854,636</u>	<u>\$21,636,984</u>	<u>\$137,616,136</u>
2,501	0	18,325	0	0	1,056,326
99,577	0	0	0	0	6,032,024
0	176,927	0	0	0	176,927
55,326	0	0	0	4,884,157	4,939,483
42,137	0	0	0	344,325	1,242,469
0	0	76,559	0	0	76,559
36,450	0	0	0	0	44,314,199
0	0	0	0	15,000	15,000
0	0	0	0	15,920,000	15,920,000
0	0	0	0	473,502	473,502
235,991	176,927	94,884	0	21,636,984	74,246,489
0	0	0	40,854,636	0	40,854,636
121,387	0	0	0	0	121,387
551,548	323,454	0	0	0	875,002
0	0	282	0	0	1,521,117
0	0	0	0	0	809,347
0	0	10,000	0	0	10,000
0	0	0	0	0	330,415
0	0	0	0	0	2,615,004
0	0	81,809	0	0	16,232,739
672,935	323,454	92,091	40,854,636	0	63,369,647
<u>\$908,926</u>	<u>\$500,381</u>	<u>\$186,975</u>	<u>\$40,854,636</u>	<u>\$21,636,984</u>	<u>\$137,616,136</u>

KETTERING CITY SCHOOL DISTRICT  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<b>Revenues:</b>			
Taxes	\$43,400,486	\$0	\$1,126,127
Tuition and Fees	118,187	93,161	0
Transportation	257,894	0	0
Interest	1,534,530	49,969	0
Intergovernmental	11,147,663	3,478,394	121,368
Extracurricular Activities	61,831	556,758	0
Classroom Materials and Fees	7,574	45,123	0
Miscellaneous	419,585	150,103	0
<b>Total Revenues</b>	<b>56,947,750</b>	<b>4,373,508</b>	<b>1,247,495</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	23,576,223	614,746	0
Special	3,653,352	485,914	0
Vocational	1,506,382	59,269	0
Adult/Continuing	37,138	52,099	0
Other	1,490,833	0	0
<b>Support Services:</b>			
Pupil	3,689,028	438,053	0
Instructional Staff	2,258,215	271,644	0
Board of Education	48,890	0	0
Administration	4,426,041	483,108	0
Fiscal Services	1,255,064	0	19,519
Business	704,132	0	0
Operation and Maintenance of Plant	5,481,783	17,241	0
Pupil Transportation	2,059,335	38,965	0
Central	869,380	9,154	0
Non-Instructional Services	1,283	1,410,408	0
Extracurricular Activities	928,070	391,631	0
Facilities Acquisitions and Constructions	43,869	0	0
<b>Debt Service:</b>			
Principal Retirement	305,273	0	630,000
Interest and Fiscal Charges	67,080	0	767,456
<b>Total Expenditures</b>	<b>52,401,371</b>	<b>4,272,232</b>	<b>1,416,975</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>4,546,379</b>	<b>101,276</b>	<b>(169,480)</b>
<b>Other Financing Sources (Uses):</b>			
Proceeds from Sale of Bonds	0	0	0
Proceeds from Sale of Notes	0	0	0
Proceeds from Sale of Assets	1,537	0	0
Operating Transfers-In	0	8,000	0
Operating Transfers-Out	(210,000)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(208,463)</b>	<b>8,000</b>	<b>0</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<b>4,337,916</b>	<b>109,276</b>	<b>(169,480)</b>
<b>Fund Balances at Beginning of Year</b>	<b>12,907,601</b>	<b>1,138,543</b>	<b>978,827</b>
<b>Increase in Reserve for Inventory</b>	<b>24,617</b>	<b>0</b>	<b>0</b>
<b>Fund Balances at End of Year</b>	<b>\$17,270,134</b>	<b>\$1,247,819</b>	<b>\$809,347</b>

See accompanying notes to the general purpose financial statements

Governmental Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
Capital Projects	Expendable Trust	
\$715,653	\$0	\$45,242,266
0	0	211,348
0	0	257,894
47,487	2,979	1,634,965
104,708	0	14,852,133
0	14,436	633,025
0	0	52,697
3,000	8,355	581,043
<u>870,848</u>	<u>25,770</u>	<u>63,465,371</u>
507,566	3,932	24,702,467
0	0	4,139,266
22,519	0	1,588,170
0	0	89,237
0	0	1,490,833
0	0	4,127,081
0	15,309	2,545,168
0	0	48,890
0	0	4,909,149
9,876	0	1,284,459
0	0	704,132
753,379	0	6,252,403
53,975	0	2,152,275
0	0	878,534
0	0	1,411,691
0	0	1,319,701
332,625	0	376,494
0	0	935,273
0	0	834,536
<u>1,679,940</u>	<u>19,241</u>	<u>59,789,759</u>
(809,092)	6,529	3,675,612
1,200,000	0	1,200,000
400,000	0	400,000
0	0	1,537
202,000	0	210,000
0	0	(210,000)
<u>1,802,000</u>	<u>0</u>	<u>1,601,537</u>
992,908	6,529	5,277,149
1,106,323	74,615	16,205,909
0	0	24,617
<u>\$2,099,231</u>	<u>\$81,144</u>	<u>\$21,507,675</u>

KETTERING CITY SCHOOL DISTRICT  
 COMBINED STATEMENTS OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - BUDGET  
 (NON-GAAP BASIS) AND ACTUAL - ALL GOVERNMENTAL  
 FUND TYPES AND EXPENDABLE TRUST FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	General Fund		
	Revised Budget	Actual	Over/Under
Revenues:			
Taxes	\$39,925,172	\$41,711,619	\$1,786,447
Tuition and Fees	23,115	118,187	95,072
Transportation	249,000	257,894	8,894
Interest	1,150,000	1,536,144	386,144
Intergovernmental	11,024,081	11,147,663	123,582
Extracurricular Activities	2,040	61,831	59,791
Classroom Materials and Fees	7,313	7,574	261
Other Local Revenues	292,380	387,821	95,441
<b>Total Revenues</b>	<b>52,673,101</b>	<b>55,228,733</b>	<b>2,555,632</b>
Expenditures:			
Current:			
Instruction:			
Regular	23,908,928	23,542,769	366,159
Special	3,611,697	3,593,097	18,600
Vocational	1,553,752	1,542,241	11,511
Adult/Continuing	38,065	38,065	0
Other Instruction	1,721,523	1,721,523	0
Support Services:			
Pupil	3,806,112	3,791,220	14,892
Instructional Staff	2,280,935	2,245,632	35,303
Board of Education	55,017	50,324	4,693
Administration	4,501,739	4,474,485	27,254
Fiscal Services	1,295,828	1,277,658	18,170
Business	744,053	731,163	12,890
Operation and Maintenance of Plant	5,741,960	5,728,375	13,585
Pupil Transportation	1,986,031	1,975,700	10,331
Central	995,973	969,181	26,792
Non-Instructional Services	2,905	1,316	1,589
Extracurricular Activities	936,533	936,533	0
Facilities Acquisitions and Constructions	68,496	68,436	60
Debt Service:			
Principal Retirement	305,273	305,273	0
Interest and Fiscal Charges	67,080	67,080	0
<b>Total Expenditures</b>	<b>53,621,900</b>	<b>53,060,071</b>	<b>561,829</b>
Excess of Revenues Over (Under) Expenditures	(948,799)	2,168,662	3,117,461
Other Financing Sources (Uses):			
Proceeds from Sale of Bonds	0	0	0
Proceeds from Sale of Notes	0	0	0
Proceeds from Sale of Fixed Assets	1,537	1,537	0
Operating Transfers-In	0	0	0
Refund of Prior Year's Receipts	(8,112)	(8,112)	0
Operating Transfers-Out	(210,000)	(210,000)	0
Advances - Out	(8,683)	0	8,683
<b>Total Other Financing Sources (Uses)</b>	<b>(225,258)</b>	<b>(216,575)</b>	<b>8,683</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,174,057)	1,952,087	3,126,144
Fund Balances at Beginning of Year	16,879,351	16,879,351	0
Prior Year Encumbrances Appropriated	953,282	953,282	0
<b>Fund Balances at End of Year</b>	<b>\$16,658,576</b>	<b>\$19,784,720</b>	<b>\$3,126,144</b>

Governmental Fund Types

Special Revenue Funds			Debt Service Funds		
Revised Budget	Actual	Over/Under	Revised Budget	Actual	Over/Under
\$0	\$0	\$0	\$1,069,937	\$1,076,708	\$6,771
93,161	93,161	0	0	0	0
0	0	0	0	0	0
52,283	55,340	3,057	0	0	0
3,413,105	3,431,548	18,443	112,500	121,368	8,868
582,462	556,758	(25,704)	0	0	0
53,496	45,123	(8,373)	0	0	0
112,266	150,103	37,837	0	0	0
<b>4,306,773</b>	<b>4,332,033</b>	<b>25,260</b>	<b>1,182,437</b>	<b>1,198,076</b>	<b>15,639</b>
829,287	719,499	109,788	0	0	0
532,548	475,438	57,110	0	0	0
115,734	66,317	49,417	0	0	0
53,902	53,085	817	0	0	0
0	0	0	0	0	0
499,120	426,979	72,141	0	0	0
317,312	265,025	52,287	0	0	0
0	0	0	0	0	0
574,901	516,359	58,542	0	0	0
0	0	0	20,221	18,732	1,489
0	0	0	0	0	0
35,928	25,929	9,999	0	0	0
33,976	32,586	1,390	0	0	0
40,659	36,159	4,500	0	0	0
1,856,568	1,847,649	8,919	0	0	0
501,662	451,652	50,010	0	0	0
0	0	0	0	0	0
0	0	0	630,000	630,000	0
0	0	0	770,466	767,456	3,010
<b>5,391,597</b>	<b>4,916,677</b>	<b>474,920</b>	<b>1,420,687</b>	<b>1,416,188</b>	<b>4,499</b>
<b>(1,084,824)</b>	<b>(584,644)</b>	<b>500,180</b>	<b>(238,250)</b>	<b>(218,112)</b>	<b>20,138</b>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
8,000	8,000	0	0	0	0
(20,119)	(20,119)	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<b>(12,119)</b>	<b>(12,119)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(1,096,943)</b>	<b>(596,763)</b>	<b>500,180</b>	<b>(238,250)</b>	<b>(218,112)</b>	<b>20,138</b>
944,701	944,701	0	947,941	947,941	0
505,035	505,035	0	0	0	0
<b>\$352,793</b>	<b>\$852,973</b>	<b>\$500,180</b>	<b>\$709,691</b>	<b>\$729,829</b>	<b>\$20,138</b>

(Continued)

KETTERING CITY SCHOOL DISTRICT  
 COMBINED STATEMENTS OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - BUDGET  
 (NON-GAAP BASIS) AND ACTUAL - ALL GOVERNMENTAL  
 FUND TYPES AND EXPENDABLE TRUST FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001  
 (Continued)

	Governmental Fund Types		
	Projects Funds		
	Revised Budget	Actual	Over/Under
Revenues:			
Taxes	\$672,815	\$685,048	\$12,233
Tuition and Fees	0	0	0
Transportation	0	0	0
Interest	38,852	52,467	13,615
Intergovernmental	93,019	104,708	11,689
Extracurricular Activities	0	0	0
Classroom Materials and Fees	0	0	0
Other Local Revenues	3,000	3,000	0
<b>Total Revenues</b>	<b>807,686</b>	<b>845,223</b>	<b>37,537</b>
Expenditures:			
Current:			
Instruction:			
Regular	506,934	506,934	0
Special	0	0	0
Vocational	22,519	22,519	0
Adult/Continuing	0	0	0
Other Instruction	0	0	0
Support Services:			
Pupil	0	0	0
Instructional Staff	0	0	0
Board of Education	0	0	0
Administration	0	0	0
Fiscal Services	13,000	9,876	3,124
Business	0	0	0
Operation and Maintenance of Plant	1,055,359	934,646	120,713
Pupil Transportation	56,876	53,975	2,901
Central	0	0	0
Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Facilities Acquisitions and Constructions	655,887	655,887	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenditures</b>	<b>2,310,575</b>	<b>2,183,837</b>	<b>126,738</b>
Excess of Revenues Over (Under) Expenditures	(1,502,889)	(1,338,614)	164,275
Other Financing Sources (Uses):			
Proceeds from Sale of Bonds	1,200,000	1,200,000	0
Proceeds from Sale of Notes	400,000	400,000	0
Proceeds from Sale of Fixed Assets	0	0	0
Operating Transfers-In	0	202,000	202,000
Refund of Prior Year's Receipts	0	0	0
Operating Transfers-Out	0	0	0
Advances - Out	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>1,600,000</b>	<b>1,802,000</b>	<b>202,000</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	97,111	463,386	366,275
Fund Balances at Beginning of Year	796,288	796,288	0
Prior Year Encumbrances Appropriated	492,318	492,318	0
<b>Fund Balances at End of Year</b>	<b>\$1,385,717</b>	<b>\$1,751,992</b>	<b>\$366,275</b>

See accompanying notes to the general purpose financial statements



Fiduciary Fund Type			Totals		
Expendable Trust Fund			(Memorandum Only)		
Revised Budget	Actual	Over/Under	Revised Budget	Actual	Over/Under
\$0	\$0	\$0	\$41,667,924	\$43,473,375	\$1,805,451
0	0	0	116,276	211,348	95,072
0	0	0	249,000	257,894	8,894
4,341	3,490	(851)	1,245,476	1,647,441	401,965
0	0	0	14,642,705	14,805,287	162,582
19,095	14,436	(4,659)	603,597	633,025	29,428
0	0	0	60,809	52,697	(8,112)
13,987	8,355	(5,632)	421,633	549,279	127,646
37,423	26,281	(11,142)	59,007,420	61,630,346	2,622,926
4,532	4,232	300	25,249,681	24,773,434	476,247
0	0	0	4,144,245	4,068,535	75,710
0	0	0	1,692,005	1,631,077	60,928
0	0	0	91,967	91,150	817
0	0	0	1,721,523	1,721,523	0
0	0	0	4,305,232	4,218,199	87,033
35,268	15,494	19,774	2,633,515	2,526,151	107,364
0	0	0	55,017	50,324	4,693
0	0	0	5,076,640	4,990,844	85,796
0	0	0	1,329,049	1,306,266	22,783
0	0	0	744,053	731,163	12,890
200	0	200	6,833,447	6,688,950	144,497
0	0	0	2,076,883	2,062,261	14,622
0	0	0	1,036,632	1,005,340	31,292
0	0	0	1,859,473	1,848,965	10,508
0	0	0	1,438,195	1,388,185	50,010
0	0	0	724,383	724,323	60
0	0	0	935,273	935,273	0
0	0	0	837,546	834,536	3,010
40,000	19,726	20,274	62,784,759	61,596,499	1,188,260
(2,577)	6,555	9,132	(3,777,339)	33,847	3,811,186
0	0	0	1,200,000	1,200,000	0
0	0	0	400,000	400,000	0
0	0	0	1,537	1,537	0
0	0	0	8,000	210,000	202,000
(307)	(307)	0	(28,538)	(28,538)	0
0	0	0	(210,000)	(210,000)	0
0	0	0	(8,683)	0	8,683
(307)	(307)	0	1,362,316	1,572,999	210,683
(2,884)	6,248	9,132	(2,415,023)	1,606,846	4,021,869
73,257	73,257	0	19,641,538	19,641,538	0
1,356	1,356	0	1,951,991	1,951,991	0
\$71,729	\$80,861	\$9,132	\$19,178,506	\$23,200,375	\$4,021,869

KETTERING CITY SCHOOL DISTRICT  
 COMBINED STATEMENTS OF REVENUES,  
 EXPENSES AND CHANGES IN FUND EQUITY  
 ALL PROPRIETARY FUND TYPES AND  
 NON-EXPENDABLE TRUST FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Internal Service	Non- Expendable Trust	
Operating Revenues:				
Sales	\$1,503,090	\$0	\$0	\$1,503,090
Tuition and Fees	341,166	0	0	341,166
Charges for Services	0	751,824	0	751,824
Interest	0	0	652	652
Miscellaneous	968	0	0	968
<b>Total Operating Revenues</b>	<b>1,845,224</b>	<b>751,824</b>	<b>652</b>	<b>2,597,700</b>
Operating Expenses:				
Salaries	707,370	0	0	707,370
Fringe Benefits	276,024	163,994	0	440,018
Purchased Services	60,695	580,002	0	640,697
Supplies and Materials	177,029	0	0	177,029
Cost of Sales	940,085	0	0	940,085
Other Operating Expenses	7,636	0	0	7,636
Depreciation	21,907	0	0	21,907
<b>Total Operating Expenses</b>	<b>2,190,746</b>	<b>743,996</b>	<b>0</b>	<b>2,934,742</b>
<b>Operating Income (Loss)</b>	<b>(345,522)</b>	<b>7,828</b>	<b>652</b>	<b>(337,042)</b>
Non-Operating Revenues (Expenses):				
Federal Donated Commodities	113,797	0	0	113,797
Intergovernmental	447,771	0	0	447,771
Interest	16,580	21,051	0	37,631
Loss on Disposal of Fixed Assets	(4,513)	0	0	(4,513)
<b>Total Non-Operating Revenues (Expense)</b>	<b>573,635</b>	<b>21,051</b>	<b>0</b>	<b>594,686</b>
<b>Net Income</b>	<b>228,113</b>	<b>28,879</b>	<b>652</b>	<b>257,644</b>
Retained Earnings at Beginning of Year Restated (Note 3)	323,435	294,575	10,295	628,305
Retained Earnings at End of Year	551,548	323,454	10,947	885,949
Contributed Capital at End of Year	121,387	0	0	121,387
<b>Total Fund Equity at End of Year</b>	<b>\$672,935</b>	<b>\$323,454</b>	<b>\$10,947</b>	<b>\$1,007,336</b>

See accompanying notes to the general purpose financial statements

KETTERING CITY SCHOOL DISTRICT  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES AND  
 NON-EXPENDABLE TRUST FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Internal Service	Non- Expendable Trust	
Cash Flows from Operating Activities:				
Cash Received from Customers and Users	\$1,848,647	\$751,824	\$0	\$2,600,471
Cash Paid to Employees for Services and Benefits	(964,370)	0	0	(964,370)
Cash Paid to Suppliers for Goods and Services	(1,076,938)	0	0	(1,076,938)
Cash Payments for Claims	0	(740,961)	0	(740,961)
Net Cash Provided (Used) by Operating Activities	(192,661)	10,863	0	(181,798)
Cash Flows from Investing Activities:				
Earnings on Investments	18,120	20,993	709	39,822
Net Cash Provided by Investing Activities	18,120	20,993	709	39,822
Cash Flows from Noncapital Financing Activities:				
Operating Grants Received	453,508	0	0	453,508
Net Cash Provided by Noncapital Financing Activities	453,508	0	0	453,508
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(25,258)	0	0	(25,258)
Net Cash Used for Capital and Related Financing Activities	(25,258)	0	0	(25,258)
Net Increase (Decrease) in Cash	253,709	31,856	709	286,274
Cash and Cash Equivalents at Beginning of Year	407,839	468,467	10,238	886,544
Cash and Cash Equivalents at End of Year	\$661,548	\$500,323	\$10,947	\$1,172,818

(Continued)

KETTERING CITY SCHOOL DISTRICT  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES AND  
 NON-EXPENDABLE TRUST FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001  
 (Continued)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Internal Service	Non- Expendable Trust	
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for ) Operating Activities:</u>				
Operating Income (Loss)	(\$345,522)	\$7,828	\$652	(\$337,042)
<u>Adjustments to Reconcile Operating Incom (Loss) to Net Cash Provided by (Used for ) Operating Activities:</u>				
Depreciation	21,907	0	0	21,907
Donated Commodities Received During the Year	113,797	0	0	113,797
Changes in Assets and Liabilities:				
Decrease in Accounts Receivable	3,424	0	0	3,424
Decrease in Inventory Held for Resale	4,073	0	0	4,073
(Decrease) in Accounts Payable	(5,291)	0	0	(5,291)
Increase in Accrued Wages	5,086	0	0	5,086
Increase in Intergovernmental Payable	6,586	0	0	6,586
Increase in Compensated Absences	7,352	0	0	7,352
(Decrease) in Deferred Revenue	(4,073)	0	0	(4,073)
Increase in Claims Payable	0	3,035	0	3,035
Interest Reported as Operating Income	0	0	(652)	(652)
<b>Total Adjustments</b>	<b>152,861</b>	<b>3,035</b>	<b>(652)</b>	<b>155,244</b>
<b>Net Cash Provided by (Used for ) Operating Activities</b>	<b>(192,661)</b>	<b>10,863</b>	<b>0</b>	<b>(181,798)</b>

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

Cash and Cash Equivalents - All Fiduciary Funds	\$186,975
Cash and Cash Equivalents - Expendable Trust and Agency Funds	(176,028)
Cash and Cash Equivalents - Non-Expendable Trust Fund	<u>\$10,947</u>

Non-cash Investing, Capital and Financing Activities:

During the year the Food Service Enterprise Fund used materials and supplies inventory valued at \$113,797. This inventory was donated to the District and no cash payments were made to acquire the inventory. An expense for this usage was included in the Operating Loss of the fund and therefore, Donated Commodities must be recognized as an adjustment to reconcile to Net Cash Used for Operating Activities.

See accompanying notes to the general purpose financial statements

KETTERING CITY SCHOOL DISTRICT - KETTERING, OHIO  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

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1. DESCRIPTION OF THE DISTRICT

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

The District operates under a locally elected five member Board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. This Board controls the District's instructional and support facilities staffed by 367 (FTE) classified personnel and 567 (FTE) certificated teaching and administrative personnel to provide services to students and other community members.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Reporting Entity

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

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

B. Basis of Presentation - Fund Accounting

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

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

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

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

Governmental Fund Types:

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

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

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

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

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

Proprietary Fund Types:

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

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

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

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

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Fiduciary Fund Types:

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

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

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

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

Account Groups:

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

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

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

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Fund Types and Expendable Trust Funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The reported fund balances are considered a measure of available spendable resources.

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

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

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

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

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

The District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2001 and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2001 operations, have been recorded as deferred revenue.

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

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

D. Budgetary Data

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

Tax Budget

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



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

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

Estimated Resources

Prior to March 15, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered cash balances from the preceding year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts in the final Amended Certificate issued during fiscal year 2001.

Appropriations

Upon receipt from the County Auditor of an Amended Certificate of Estimated Resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary and between July 1 and October 1, the annual appropriation resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations with functions, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent Certificate of Estimated Resources. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, including the Debt Service Fund, consistent with statutory provisions.

Encumbrances

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

Lapsing of Appropriations

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

Budgetary Basis of Accounting

While the District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and

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

described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual, All Governmental Fund Types and Expendable Trust Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types.

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

Excess of Revenues and Other Financing Sources  
 Over (Under) Expenditures and Other Financing Uses  
 Governmental Fund Types and Expendable Trust Fund

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP Basis	\$4,337,916	\$109,276	(\$169,480)	\$992,908	\$6,529
Net Adjustment for Revenue Accruals	(1,719,017)	(41,475)	(49,419)	(25,625)	511
Net Adjustment for Expenditure Accruals	697,022	103,046	1,574	55,652	(240)
Adjustment for Encumbrances	(1,363,834)	(767,610)	(787)	(559,549)	(552)
<hr/>					
Budget Basis	\$1,952,087	(\$596,763)	(\$218,112)	\$463,386	\$6,248
<hr/>					

E. Cash and Cash Equivalents and Investments

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

During the fiscal year the District invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the

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

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Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2001.

Under existing Ohio statutes, the Board of Education has, by resolution, specified the funds to receive allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2001 totaled \$1,534,530, and \$138,718 credited to other funds of the District.

F. Inventory

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

G. Fixed Assets and Depreciation

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

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

H. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis and entitlements, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

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

Entitlements

General Fund

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

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

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Non-Reimbursable Grants

Special Revenue Funds

Pathfinder/Preschool  
Venture Capital  
Auxiliary Services  
Career Development  
Local Professional Development  
Education Management Information Systems  
Public School Preschool  
District Professional Development  
Instructional Materials Subsidy  
OhioReads  
Summer School Subsidy  
Alternative  
Other State Funds  
Adult Basic Education  
EESA - Title II  
EESA - Title VI-B  
Carl D. Perkins Vocational Education  
Title I  
Even Start Program  
Title VI Innovation  
Drug Free School Grant  
Preschool Grant  
Other Federal Grants

Reimbursable Grants

General Fund

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

Capital Projects Fund

Vocational Education Equipment  
SchoolNet Plus

Proprietary Funds

National School Lunch Program  
Government Donated Commodities

Grants and entitlements amounted to approximately twenty-three and seven tenths percent of the District's operating revenue during the 2001 fiscal year.

I. Interfund Transactions

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

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

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

J. Compensated Absences

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

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

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

K. Long-Term Debt

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

L. Fund Balance Reserves

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available spendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for property taxes, debt services, Charles Craig Memorial, encumbrances, inventories of supplies and materials, which are presented as restricted assets on the balance sheet.

M. Total Columns on General Purpose Financial Statements

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

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

In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," the District applies all GASB

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

pronouncements and all FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The District has elected not to apply Financial Accounting Standards Board Statements and Interpretations issued after November 30, 1989 to its proprietary activities.

3. CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCE

For fiscal year 2001, the District has implemented GASB Statements No. 33, "Accounting and Financial Reporting for Nonexchange Transactions" and GASB Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues." The effect of the implementation of these statements on opening fund balances did not require a restatement.

The following represents a restatement in retained earnings at beginning of year for the food service enterprise fund:

	Enterprise Funds
Retained Earnings at Beginning of Year	\$314,110
Fixed Asset Not Previously Recorded	9,325
	<hr/>
Restatement of Retained Earnings at Beginning of Year	<u>\$323,435</u>

4. DEPOSITS AND INVESTMENTS

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

Category 1 consists of "active" monies, those monies required to be kept in a "cash" or "near-cash" status for immediate use by the District. Such monies must be maintained either as cash in the District Treasury, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

1. Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency.
3. Repurchase agreements in the securities enumerated above.

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

4. Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including, but not limited to, passbook accounts.
5. Bonds and other obligations of the State of Ohio.
6. The State Treasurer’s investment pool (STAR Ohio).
7. Certain highly rated bankers’ acceptances and commercial paper notes in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time.

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

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

Deposits: At year-end, the carrying amount of the District’s deposit was \$2,290,160 and the bank balance was \$2,779,792. Of the bank balance, \$405,131 was covered by the federal depository insurance. The remaining amounts were uninsured and uncollateralized as defined by GASB Statement 3.

Investments: The District’s investments are categorized below to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District’s name. Category 2 includes uninsured and unregistered investments which are held by the counterparty’s trust department or agent in the District’s name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the District’s name. The District’s investment in Star Ohio is not categorized because it is not evidenced by securities that exist in physical or book entry form.

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

	<u>Category 2</u>	<u>Category 3</u>	<u>Fair Value</u>
U. S. Government Securities	\$ 5,773,235	\$0	\$ 5,773,235
Repurch. Agreements	0	850,062	850,062
Star Ohio	0	0	18,245,893
	-----	-----	-----
Total	\$ 5,773,235	\$850,062	\$24,869,190
	=====	=====	=====

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

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

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

	Cash and Cash Equivalents/ <u>Deposits</u>	<u>Investments</u>
GASB Statement 9	\$21,386,115	\$ 5,773,235
Investments:		
Repurchase Agreements	(850,062)	850,062
Investment in State Treasury Pool	(18,245,893)	18,245,893
	-----	-----
GASB Statement 3	\$ 2,290,160	\$24,869,190
	=====	=====

5. PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years with a statistical update every third year following each full reappraisal. Public utility property taxes are assessed on tangible personal property at 100 percent of true value (with certain exceptions) and on real property at 35 percent of true value.

Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value.

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

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

The District receives property taxes from Montgomery County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 2001 are available to finance fiscal year 2001 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

The assessed values upon which the fiscal year 2001 taxes were collected are:



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

<u>Assessed Valuation Class</u>	2001 Second-Half Collections		2002 First-Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$1,056,251,560	79.6%	\$1,062,332,080	78.1%
Public Utility Personal	88,732,220	6.4%	109,567,330	8.1%
Tangible Personal Property	181,081,808	14.0%	188,035,293	13.8%
Total Assessed Value	<u>\$1,326,065,588</u>	100.0%	<u>\$1,359,934,703</u>	100.0%
Tax rate (Full) per \$1,000 of assessed valuation		\$53.10		\$56.30
Tax Rate (Adjusted for H.B.920 Tax Reduction Factors) per \$1,000 of assessed real property valuation				
Residential/Agricultural		\$26.997		\$30.21
Commercial/Industrial		\$33.711		\$36.60

6. RECEIVABLES

Receivables at June 30, 2001 consisted of interest, taxes, accounts receivables, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State Programs, and the current year guarantee of Federal Funds. A summary of the principal items of receivables follows:

	Special	Debt	Capital	Internal			<u>Totals</u>	
			<u>General</u>	<u>Revenue</u>	<u>Service</u>	<u>Projects</u>		<u>Enterprise</u>
Receivables:								
Taxes		\$45,122,094	\$0	\$1,050,508	\$713,427	\$0	\$0	\$46,886,029
Interest		225,792	0	0	0	0	58	225,850
Accounts		44,704	0	0	0	47	0	44,751
Intergovernmental		0	230,790	0	0	61,480	0	292,270
Total Receivables		<u>\$45,392,590</u>	<u>\$230,790</u>	<u>\$1,050,508</u>	<u>\$713,427</u>	<u>\$61,527</u>	<u>\$58</u>	<u>\$47,448,900</u>

7. FIXED ASSETS

A summary of the enterprise funds' fixed assets at June 30, 2001 follows:

Furniture and Equipment	\$314,011
Less accumulated depreciation	164,610
Net Fixed Assets	<u>\$149,401</u>

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

A summary of the changes in general fixed assets during fiscal year 2001 follows:

	Balance July 1	Additions	Deletions	Balance June 30
Buildings and land	\$32,044,810	\$0	\$0	\$32,044,810
Furniture and equipment	5,568,267	452,598	148,825	5,872,040
Vehicles	2,836,746	186,692	85,652	2,937,786
	-----	-----	-----	-----
	\$40,449,823	\$639,290	\$234,477	\$40,854,636
	=====	=====	=====	=====

8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2000, the District contracted with Indiana Insurance Company through Brower Insurance Agency for general liability insurance with a \$1,000,000 per occurrence limit and a \$2,000,000 aggregate. Property is protected by Indiana Insurance Company through Brower Insurance Agency and holds a \$1,000 occurrence deductible.

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

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

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

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

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

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

The District is self-insured for employee dental care benefits. The program is administered by CoreSource, which provides claims review and processing services. The self-insurance program is accounted for as an Internal Service Fund.

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

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

	Employee Benefits		Dental Insurance	
	<u>Self - Insurance</u>			
	June 30, <u>2000</u>	June 30, <u>2001</u>	June 30, <u>2000</u>	June 30, <u>2001</u>
Beginning Claims Payable	\$16,081	\$33,857	\$112,822	\$140,035
Claims Incurred	137,897	163,994	555,237	580,002
Claims Paid	(120,121)	(164,454)	(528,024)	(576,507)
	-----	-----	-----	-----
Ending Claims Payable	\$33,857	\$33,397	\$140,035	\$143,530
	=====	=====	=====	=====

9. DEFINED BENEFIT PENSION PLAN

All District employees are covered by the statewide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS). District employees hired after April 1, 1986 are also currently covered under the Federal Social Security Act for the Medicare portion only. The District's employer contributions to both systems are based on a percentage of employees salaries. State law requires the District to pay the employer share as determined by each Retirement System.

A. School Employees Retirement System

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

Plan members are required to contribute 9% of their annual covered salary and the Kettering City School District is required to contribute 14%; 5.5% was the portion to fund pension obligations. The contribution rates are not determined actuarially, but are established by SERS's Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The District's contributions to SERS for the years ending June 30, 2001, 2000, and 1999, were \$1,117,248, \$1,081,056, and \$965,340 respectively; 50.0% percent has been contributed for fiscal year 2001 and 100 percent for the fiscal years 2000 and 1999; \$558,624 representing the unpaid contribution for fiscal year 2001 is recorded as a liability within the respective funds and the general long-term debt account group.

B. State Teachers Retirement System

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

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

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Plan members are required to contribute 9.3% of their annual covered salary and the Kettering City School District is required to contribute 14%; 6.0% was the portion to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's contributions to STRS for the years ending June 30, 2001, 2000, and 1999 were \$4,059,216, \$3,769,296 and \$3,567,072 respectively; 82.4% has been contributed for fiscal year 2001 and 100% for the fiscal years 2000 and 1999; \$683,844 representing the unpaid contribution for fiscal year 2001 is recorded as a liability within the respective funds.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose social security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2001 two of the board of education members have elected social security. The Board's liability is 6.2 percent of wages paid.

10. POSTEMPLOYMENT BENEFITS

For the State Teachers Retirement System, no premiums are currently paid by retirees or primary benefit recipients; however, monthly payments are required for covered spouses and other dependents. Benefits are funded on a pay-as-you-go basis through an allocation of employer contributions to the System equal to 4.5 percent of covered payroll, an increase from 3.5% for fiscal year 2000 and 3.5% for fiscal year 1999. For the District, the amount equaled \$2,695,806 for the 2001 fiscal year. STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2000, (the latest information available) the balance in the Fund was \$3,419 million. For the year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000 and STRS had 99,011 eligible benefit recipients.

For the School Employees Retirement System, all retirees with a retirement date prior to July 1, 1986, are eligible to receive benefits. Retirees with a retirement date on or after July 1, 1986, must have ten years of service credit to be eligible to receive benefits. Retirees with retirement dates on or after August 1, 1989, who have ten to twenty-five years of service credit must pay a portion of their own coverage. Retirees with a retirement date prior to August 1, 1989, and retirees with a retirement date on or after August 1, 1989 with more than twenty-five years of service credit, do not pay a premium. Premium payments are required for all covered spouses and dependents. For this fiscal year, employer contributions to fund health care benefits were 6.30 percent of covered payroll, an increase from 4.21 per cent for fiscal year 1999. For the District, this amount equaled \$725,292 during the 2001 fiscal year. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, prorated for partial service credit. For the fiscal year 2001, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

As of June 30, 2000 (the latest information available), the number of retirees and covered dependents currently receiving benefits is approximately 50,000. Actuarial contribution requirements are determined for the SERS as a whole, not for individual employers. Net assets available for payment of benefits at June 30, 2000 (the latest information available) was \$252.3 million for the System as a whole.

11. CAPITALIZED LEASE - LESSEE DISCLOSURE

The District has entered into capitalized leases. The term of the agreement provides options to purchase the equipment for technology. This lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases," which defines a capital lease generally as

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

one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service in the Combined Financial Statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

General fixed assets acquired by lease have been capitalized in the general fixed assets account group in an amount equal to the present value of the future minimum lease payments at the time of acquisition. Principal payments in fiscal year 2001 totaled \$90,493. A final payment was made during fiscal year 2001.

12. LONG TERM DEBT

Changes in Long-Term Liabilities. During the fiscal year ended June 30, 2001, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance <u>July 1</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30</u>
Energy Conservation Notes 1992 5.39%	\$30,000	\$0	\$15,000	\$15,000
Compensated Absences	4,692,923	531,207	339,973	4,884,157
Capital Leases	90,493	0	90,493	0
General Obligation Debt School Employees Retirement System	15,713,742	1,200,000	520,240	16,393,502
	336,627	344,325	336,627	344,325
	-----	-----	-----	-----
	\$ 20,863,785	\$2,075,532	\$1,302,333	\$21,636,984
	=====	=====	=====	=====

The District's voted legal debt margin was \$109,623,470 with an unvoted debt margin of \$1,359,935 as of June 30, 2001.

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

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

Principal and interest requirements to retire the general obligation energy notes outstanding at June 30, 2001 are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	15,000	893	15,893
	-----	-----	-----
Totals	\$15,000	\$893	\$15,893
	=====	=====	=====

General Obligation Bonds. The District issued general obligation bonds to provide funds for the purpose of expanding and renovating Fairmont High, Oakview Elementary and Prass Elementary Schools.

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

In fiscal year 1998, the District issued school energy conservation bonds to provide funds for the purpose of energy efficient lighting, energy management system, and new boilers. On June 8, 2001, the District issued school energy conservation improvement bonds for remodeling that would significantly reduce energy consumption in buildings owned by the District.

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

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
Capital Projects	3.05-5.30%	\$ 13,255,000
School Energy Conservation	4.70-4.90%	\$1,140,000
School Energy Conservation 2002	5.31%	\$1,200,000

Annual debt service requirements to maturity for general obligation bonds, including interest of \$9,856,512 as follows:

<u>Fiscal Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	494,333	838,860	1,333,193
2003	480,712	848,304	1,329,016
2004	503,670	825,126	1,328,796
2005	531,786	807,767	1,339,553
2006	555,067	747,160	1,302,227
Thereafter	13,029,432	5,789,295	18,818,727
Totals	<u>\$15,595,000</u> =====	<u>\$9,856,512</u> =====	<u>\$25,451,512</u> =====

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

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

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

<u>Fiscal Year Ending</u> <u>June 30</u>	<u>Amount</u>
2006	<u>\$ 798,502</u> =====

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

13. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The School District maintains four Enterprise Funds to account for the operations of Food Service, Uniform School Supplies, Rotary Special Service, and Special Enterprise. The table below reflects a summary of the most significant financial data relating to the Enterprise Funds of the Kettering City School District for the fiscal year ended June 30, 2001.

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Rotary Special Services</u>	<u>Special Enterprise</u>	<u>Totals</u>
Operating Revenues	\$1,454,564	\$231,769	\$20,304	\$138,587	\$1,845,224
Operating Expenses					
Before Depreciation	1,905,944	124,070	18,851	119,974	2,168,839
Depreciation	21,907	0	0	0	21,907
Operating Income(Loss)	(473,287)	107,699	1,453	18,613	(345,522)
Donated Commodities	113,797	0	0	0	113,797
Operating Grants	447,771	0	0	0	447,771
Interest	16,580	0	0	0	16,580
Loss on Disposal of Fixed Assets	(4,513)	0	0	0	(4,513)
Net Income	100,348	107,699	1,453	18,613	228,113
Fixed Assets Addition	25,258	0	0	0	25,258
Net Working Capital	410,645	135,865	8,779	23,571	578,860
Total Assets	717,952	136,600	10,328	44,046	908,926
Total Equity	504,720	135,865	8,779	23,571	672,935
Encumbrances at June 30, 2001	\$535	\$29,660	\$3,582	\$3,515	\$37,292

14. STATUTORY SET-ASIDE RESERVES

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

The following cash basis information describes the change in the fiscal year end set aside amounts for textbooks, capital acquisition, and budget stabilization. Disclosure of this information is required by State statute.

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Balance, Beginning of Year	\$0	\$0	\$1,014,733
Carryover from Prior Year	(307,389)	0	0
Required Set-Aside	1,221,409	1,221,409	0
Current Year Offsets	0	(2,268,787)	0
Qualifying Expenditures	(1,334,045)	(1,834,719)	0
Senate Bill 345 Adjust.	0	0	(1,014,733)
Set-Aside Reserve, End of Year	<u>\$ (420,025)</u>	<u>\$(2,882,097)</u>	<u>\$ 0</u>
Qualifying Carryover Amounts to FY2002	<u>\$ (420,025)</u>	<u>\$(1,600,000)</u>	<u>\$ 0</u>

Senate Bill 345 provides that the budget set-aside may, at the board's discretion, be returned to the district's general fund or be retained in the reserve to offset a future budget deficit. Further, the balance can be used for the local share of School Classroom Facilities Projects.

In May of 2001 the District passed a resolution authorizing the Treasurer to transfer \$202,000 of the Budget Reserve Fund into the District's Permanent Improvement Fund to be used for School Facility capital expenses. The District also authorized the \$812,733 balance of the Budget Reserve Fund shall be deposited in the General Fund.

15. CONTINGENCIES

A. School Funding Decision:

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that requires modification if the plan is to be considered constitutional, including:

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of December 4, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may reexamine and redetermine any issue upon such reconsideration.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this decision and the reconsideration will have on its future State funding and on its financial operations.



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

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B. Grants:

The District received financial assistance from federal and state agencies in the form of grants. The expenditures of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2001.

C. Litigation:

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

KETTERING CITY SCHOOL DISTRICT

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

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# KETTERING CITY SCHOOL DISTRICT

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## GENERAL FUND

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

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KETTERING CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES-BUDGET (NON-GAAP  
BASIS) AND ACTUAL - GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
<b>Revenues:</b>			
Taxes	\$39,925,172	\$41,711,619	\$1,786,447
Tuition and Fees	23,115	118,187	95,072
Transportation	249,000	257,894	8,894
Interest	1,150,000	1,536,144	386,144
Intergovernmental	11,024,081	11,147,663	123,582
Extracurricular Activities	2,040	61,831	59,791
Classroom Materials and Fees	7,313	7,574	261
Miscellaneous	292,380	387,821	95,441
<b>Total Revenues</b>	<b>52,673,101</b>	<b>55,228,733</b>	<b>2,555,632</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
<b>Regular:</b>			
Salaries and Wages	17,984,662	17,822,729	161,933
Fringe Benefits	4,701,754	4,549,202	152,552
Purchased Services	75,478	69,246	6,232
Supplies and Materials	999,822	957,174	42,648
Capital Outlay	147,212	144,418	2,794
<b>Total Regular</b>	<b>23,908,928</b>	<b>23,542,769</b>	<b>366,159</b>
<b>Special:</b>			
Salaries and Wages	2,676,265	2,676,265	0
Fringe Benefits	652,545	652,545	0
Purchased Services	61,805	50,979	10,826
Supplies and Materials	79,005	72,712	6,293
Capital Outlay	36,336	34,970	1,366
Other Special	105,741	105,626	115
<b>Total Special</b>	<b>3,611,697</b>	<b>3,593,097</b>	<b>18,600</b>
<b>Vocational:</b>			
Salaries and Wages	1,103,828	1,103,828	0
Fringe Benefits	283,636	283,636	0
Purchased Services	11,480	9,339	2,141
Supplies and Materials	90,231	82,893	7,338
Capital Outlay	64,577	62,545	2,032
<b>Total Vocational</b>	<b>1,553,752</b>	<b>1,542,241</b>	<b>11,511</b>
<b>Adult/Continuing:</b>			
Salaries and Wages	30,930	30,930	0
Fringe Benefits	7,034	7,034	0
Supplies and Materials	101	101	0
<b>Total Adult/Continuing</b>	<b>38,065</b>	<b>38,065</b>	<b>0</b>

(Continued)

KETTERING CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES-BUDGET (NON-GAAP  
BASIS) AND ACTUAL - GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001  
(Continued)

	Revised Budget	Actual	Over/Under
Other Instruction:			
Purchased Services	1,721,523	1,721,523	0
Total Other Instruction	<u>1,721,523</u>	<u>1,721,523</u>	<u>0</u>
 Total Instruction	 <u>30,833,965</u>	 <u>30,437,695</u>	 <u>396,270</u>
 Support Services:			
Pupil:			
Salaries and Wages	2,693,952	2,693,952	0
Fringe Benefits	688,781	688,781	0
Purchased Services	102,115	91,161	10,954
Supplies and Materials	207,488	203,667	3,821
Capital Outlay	113,776	113,659	117
Total Pupil	<u>3,806,112</u>	<u>3,791,220</u>	<u>14,892</u>
 Instructional Staff:			
Salaries and Wages	1,541,087	1,541,087	0
Fringe Benefits	488,405	488,405	0
Purchased Services	90,522	69,954	20,568
Supplies and Materials	110,604	95,869	14,735
Capital Outlay	50,317	50,317	0
Total Instructional Staff	<u>2,280,935</u>	<u>2,245,632</u>	<u>35,303</u>
 Board of Education:			
Salaries and Wages	8,720	8,720	0
Fringe Benefits	994	994	0
Purchased Services	15,801	15,058	743
Supplies and Materials	3,393	3,320	73
Capital Outlay	400	0	400
Other Board of Education	25,709	22,232	3,477
Total Board of Education	<u>55,017</u>	<u>50,324</u>	<u>4,693</u>
 Administration:			
Salaries and Wages	3,093,750	3,093,750	0
Fringe Benefits	956,567	956,567	0
Purchased Services	286,966	277,266	9,700
Supplies and Materials	110,679	93,129	17,550
Capital Outlay	20,432	20,432	0
Other Administration	33,345	33,341	4
Total Administration	<u>4,501,739</u>	<u>4,474,485</u>	<u>27,254</u>

(Continued)

KETTERING CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES-BUDGET (NON-GAAP  
BASIS) AND ACTUAL - GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001  
(Continued)

	Revised Budget	Actual	Over/Under
<b>Fiscal:</b>			
Salaries and Wages	417,549	417,549	0
Fringe Benefits	128,971	121,355	7,616
Purchased Services	47,300	41,651	5,649
Supplies and Materials	27,479	26,953	526
Capital Outlay	24,490	23,849	641
Other Fiscal Services	650,039	646,301	3,738
<b>Total Fiscal</b>	<b>1,295,828</b>	<b>1,277,658</b>	<b>18,170</b>
<b>Business:</b>			
Salaries and Wages	230,395	230,395	0
Fringe Benefits	57,514	57,514	0
Purchased Services	244,171	231,393	12,778
Supplies and Materials	28,172	28,172	0
Capital Outlay	139,791	139,791	0
Other Business Services	44,010	43,898	112
<b>Total Business</b>	<b>744,053</b>	<b>731,163</b>	<b>12,890</b>
<b>Operation and Maintenance of Plant:</b>			
Salaries and Wages	2,609,569	2,609,569	0
Fringe Benefits	768,389	768,389	0
Purchased Services	1,916,662	1,903,162	13,500
Supplies and Materials	373,709	373,709	0
Capital Outlay	73,631	73,546	85
<b>Total Operation and Maintenance of Plant</b>	<b>5,741,960</b>	<b>5,728,375</b>	<b>13,585</b>
<b>Pupil Transportation:</b>			
Salaries and Wages	1,059,270	1,059,270	0
Fringe Benefits	320,387	320,387	0
Purchased Services	148,356	138,025	10,331
Supplies and Materials	329,062	329,062	0
Capital Outlay	128,956	128,956	0
<b>Total Pupil Transportation</b>	<b>1,986,031</b>	<b>1,975,700</b>	<b>10,331</b>
<b>Central:</b>			
Salaries and Wages	301,914	301,914	0
Fringe Benefits	92,199	92,199	0
Purchased Services	398,742	374,264	24,478
Supplies and Materials	69,831	67,983	1,848
Capital Outlay	132,705	132,339	366
Other Central Services	582	482	100
<b>Total Central</b>	<b>995,973</b>	<b>969,181</b>	<b>26,792</b>
<b>Total Support Services</b>	<b>21,407,648</b>	<b>21,243,738</b>	<b>163,910</b>

(Continued)



KETTERING CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP  
 BASIS) AND ACTUAL - GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001  
 (Continued)

	Revised Budget	Actual	Over/Under
Non-Instructional Services:			
Purchased Services	2,605	983	1,622
Supplies and Materials	300	333	(33)
Total Non-Instructional Services	2,905	1,316	1,589
Extracurricular Activities:			
Academic and Subject Oriented:			
Salaries and Wages	126,999	126,999	0
Fringe Benefits	18,940	18,940	0
Total Academic and Subject Oriented	145,939	145,939	0
Occupation Oriented:			
Salaries and Wages	9,027	9,027	0
Fringe Benefits	1,312	1,312	0
Total Occupation Oriented	10,339	10,339	0
Sports Oriented:			
Salaries and Wages	541,655	541,655	0
Fringe Benefits	99,454	99,454	0
Purchased Services	16,402	16,402	0
Total Sports Oriented	657,511	657,511	0
School and Public Services:			
Salaries and Wages	102,196	102,196	0
Fringe Benefits	20,548	20,548	0
Total School and Public Services	122,744	122,744	0
Total Extracurricular Activities	936,533	936,533	0
Facilities Acquisitions and Constructions:			
Site Improvement Services:			
Purchased Services	4,996	4,936	60
Total Site Improvement Services	4,996	4,936	60
Architecture and Engineering:			
Purchased Services	63,500	63,500	0
Total Architecture and Engineering	63,500	63,500	0

(Continued)

KETTERING CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES-BUDGET (NON-GAAP  
BASIS) AND ACTUAL - GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001  
(Continued)

	Revised Budget	Actual	Over/Under
Total Facilities Acquisitions and Constructions	68,496	68,436	60
Debt Services:			
Principal Retirement	305,273	305,273	0
Interest	67,080	67,080	0
Total Debt Services	372,353	372,353	0
Total Expenditures	53,621,900	53,060,071	561,829
Excess of Revenues Over (Under) Expenditures	(948,799)	2,168,662	3,117,461
Other Financing Sources (Uses):			
Proceed from Sale of Fixed Assets	1,537	1,537	0
Advances-Out	(8,683)	0	8,683
Refund of Prior Year's Receipts	(8,112)	(8,112)	0
Operating Transfers-Out	(210,000)	(210,000)	0
Total Other Financing Sources (Uses)	(225,258)	(216,575)	8,683
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,174,057)	1,952,087	3,126,144
Fund Balance at Beginning of Year	16,879,351	16,879,351	0
Prior Year Encumbrances Appropriated	953,282	953,282	0
Fund Balance at End of Year	<u>\$16,658,576</u>	<u>\$19,784,720</u>	<u>\$3,126,144</u>

## SPECIAL REVENUE FUNDS

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

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### PUBLIC SCHOOL SUPPORT FUND

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

### PATHFINDER/PRESCHOOL

To account for receipts and expenditures in conjunction with preschool activities.

### VENTURE CAPITAL FUND

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

### ATHLETIC FUND

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

### AUXILIARY SERVICES FUND

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

### CAREER DEVELOPMENT FUND

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

### LOCAL PROFESSIONAL DEVELOPMENT FUND

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

### EDUCATION MANAGEMENT INFORMATION SYSTEM FUND

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

### PUBLIC SCHOOL PRESCHOOL FUND

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

### DISTRICT PROFESSIONAL DEVELOPMENT

To account for the District's professional development.

### INSTRUCTIONAL MATERIALS SUBSIDY

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

### OHIO READS

Grants received at the building level to support the building coordinators for Ohio Reads.

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SUMMER SCHOOL SUBSIDY

A fund provided to account for the District's intervention activities.

ALTERNATIVE

To account for the District's alternative education challenge grant.

OTHER STATE FUNDS

To account for State monies to provide the need for support and education of parents of children with disabilities, and to provide the opportunity for parents to participate in regularly scheduled support groups. To provide for the use of the productivity improvement challenge program to expand, enhance and upgrade career programming for students in southern Montgomery County school district.

ADULT BASIC EDUCATION FUND

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

EESA TITLE II FUND

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

EESA TITLE VI-B FUND

This federal program assists schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full education opportunities to handicapped children at the preschool, elementary and secondary levels.

CARL D. PERKINS VOCATIONAL EDUCATION ACT OF 1984 FUND

Provision of funds to boards of education, teacher training institutions, and the state administering agency for cooperating in development of vocational education programs in the following categories: post-secondary, adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, construction of area vocational schools, research, advisory committees, and work-study projects, including sex equity grants. Funds are administered by the Ohio Department of Education, Division of Vocational and Career Education.

TITLE I FUND

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

EVEN START PROGRAM FUND

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

TITLE VI INNOVATION FUND

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

DRUG FREE SCHOOL FUND

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

PRESCHOOL GRANT

A fund provided to account for the District's preschool grant activities.

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OTHER FEDERAL PROGRAMS

To account for the activities of systemic grant, classroom reduction grant, America reads, and school to work program.

KETTERING CITY SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 ALL SPECIAL REVENUE FUNDS  
 JUNE 30, 2001

	Public School Support	Pathfinder/ Preschool	Venture Capital	Athletic	Auxiliary Services
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$250,061	\$16,990	\$2,210	\$248,196	\$474,784
Receivables:					
Intergovernmental	0	0	0	0	0
<b>Total Assets</b>	<b>\$250,061</b>	<b>\$16,990</b>	<b>\$2,210</b>	<b>\$248,196</b>	<b>\$474,784</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts Payable	\$12,600	\$91	\$0	\$24,768	\$106,387
Accrued Wages	0	1,119	0	0	107,947
Intergovernmental Payable	0	329	0	0	12,362
Deferred Revenue	0	0	0	0	0
<b>Total Liabilities</b>	<b>12,600</b>	<b>1,539</b>	<b>0</b>	<b>24,768</b>	<b>226,696</b>
<b>Fund Balances:</b>					
Reserved for Encumbrances	22,956	206	0	44,614	245,680
Unreserved	214,505	15,245	2,210	178,814	2,408
<b>Total Fund Balances</b>	<b>237,461</b>	<b>15,451</b>	<b>2,210</b>	<b>223,428</b>	<b>248,088</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$250,061</b>	<b>\$16,990</b>	<b>\$2,210</b>	<b>\$248,196</b>	<b>\$474,784</b>

Career Development	Local Professional Development	Education Management Information System	Public School Preschool	District Professional Development	Instructional Materials Subsidy	OhioReads	Summer School Subsidy
\$97,120	\$31,581	\$31,492	\$53,849	\$3,065	\$0	\$37,830	\$14,336
0	0	0	0	0	0	0	0
<u>\$97,120</u>	<u>\$31,581</u>	<u>\$31,492</u>	<u>\$53,849</u>	<u>\$3,065</u>	<u>\$0</u>	<u>\$37,830</u>	<u>\$14,336</u>
\$811	\$0	\$0	\$25,824	\$0	\$0	\$4,083	\$0
0	0	0	6,877	0	0	1,160	0
0	0	0	1,449	0	0	141	0
0	0	0	0	0	0	0	0
<u>811</u>	<u>0</u>	<u>0</u>	<u>34,150</u>	<u>0</u>	<u>0</u>	<u>5,384</u>	<u>0</u>
2,400	14,501	23,281	19,699	130	0	13,031	0
93,909	17,080	8,211	0	2,935	0	19,415	14,336
<u>96,309</u>	<u>31,581</u>	<u>31,492</u>	<u>19,699</u>	<u>3,065</u>	<u>0</u>	<u>32,446</u>	<u>14,336</u>
<u>\$97,120</u>	<u>\$31,581</u>	<u>\$31,492</u>	<u>\$53,849</u>	<u>\$3,065</u>	<u>\$0</u>	<u>\$37,830</u>	<u>\$14,336</u>

(Continued)

KETTERING CITY SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 ALL SPECIAL REVENUE FUNDS  
 JUNE 30, 2001  
 (Continued)

	Alternative	Other State Funds	Adult Basic Education	EESA Ttitle II	EESA Title VI-B
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$75,000	\$69,388	\$6,513	\$23,672	\$23,652
Receivables:					
Intergovernmental	0	0	2,025	19,271	78,316
<b>Total Assets</b>	<b>\$75,000</b>	<b>\$69,388</b>	<b>\$8,538</b>	<b>\$42,943</b>	<b>\$101,968</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts Payable	\$0	\$23,962	\$283	\$772	\$0
Accrued Wages	0	3,290	2,583	0	50,185
Intergovernmental Payable	0	369	648	0	6,707
Deferred Revenue	0	0	0	19,271	31,695
<b>Total Liabilities</b>	<b>0</b>	<b>27,621</b>	<b>3,514</b>	<b>20,043</b>	<b>88,587</b>
<b>Fund Balances:</b>					
Reserved for Encumbrances	0	4,913	5,024	400	500
Unreserved	75,000	36,854	0	22,500	12,881
<b>Total Fund Balances</b>	<b>75,000</b>	<b>41,767</b>	<b>5,024</b>	<b>22,900</b>	<b>13,381</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$75,000</b>	<b>\$69,388</b>	<b>\$8,538</b>	<b>\$42,943</b>	<b>\$101,968</b>



Carl D. Perkins	Title I	Even Start Program	Title VI Innovation	Drug Free School Grant	Preschool Grant	Other Federal Programs	Totals
\$49,550	\$35,202	\$48,440	\$13,805	\$2,139	\$3,598	\$8,107	\$1,620,580
0	48,018	5,891	28,663	5,419	0	43,187	230,790
<u>\$49,550</u>	<u>\$83,220</u>	<u>\$54,331</u>	<u>\$42,468</u>	<u>\$7,558</u>	<u>\$3,598</u>	<u>\$51,294</u>	<u>\$1,851,370</u>
\$1,598	\$0	\$528	\$1,149	\$179	\$432	\$11,610	\$215,077
0	60,013	15,311	1,505	0	0	16,431	266,421
0	6,801	2,808	422	0	0	2,990	35,026
0	0	0	28,663	0	0	7,398	87,027
<u>1,598</u>	<u>66,814</u>	<u>18,647</u>	<u>31,739</u>	<u>179</u>	<u>432</u>	<u>38,429</u>	<u>603,551</u>
3,422	0	139	0	489	2,839	12,865	417,089
<u>44,530</u>	<u>16,406</u>	<u>35,545</u>	<u>10,729</u>	<u>6,890</u>	<u>327</u>	<u>0</u>	<u>830,730</u>
<u>47,952</u>	<u>16,406</u>	<u>35,684</u>	<u>10,729</u>	<u>7,379</u>	<u>3,166</u>	<u>12,865</u>	<u>1,247,819</u>
<u>\$49,550</u>	<u>\$83,220</u>	<u>\$54,331</u>	<u>\$42,468</u>	<u>\$7,558</u>	<u>\$3,598</u>	<u>\$51,294</u>	<u>\$1,851,370</u>

KETTERING CITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 ALL SPECIAL REVENUE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Public School Support	Pathfinder/ Preschool	Venture Capital	Athletic	Auxiliary Services
<b>Revenues:</b>					
Tuition and Fees	\$0	\$33,075	\$0	\$60,086	\$0
Interest	17,446	0	0	0	32,523
Intergovernmental	0	9,227	0	0	1,292,051
Extracurricular Activities	214,492	0	0	342,266	0
Classroom Materials and Fees	45,123	0	0	0	0
Miscellaneous	108,907	1,503	0	39,693	0
<b>Total Revenues</b>	<b>385,968</b>	<b>43,805</b>	<b>0</b>	<b>442,045</b>	<b>1,324,574</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	49,975	16,269	0	0	0
Special	0	0	0	0	0
Vocational	0	0	0	0	0
Adult/Continuing	0	0	0	0	0
<b>Support Services:</b>					
Pupil	0	0	0	0	0
Instructional Staff	1,932	3,229	0	0	0
Administration	297,811	22,616	0	0	0
Operation and Maintenance of Plant	0	0	0	8,835	0
Pupil Transportation	0	0	0	0	0
Central	0	1,600	0	0	0
Non-Instructional Services	0	0	0	0	1,360,186
Extracurricular Activities	0	0	0	391,631	0
<b>Total Expenditures</b>	<b>349,718</b>	<b>43,714</b>	<b>0</b>	<b>400,466</b>	<b>1,360,186</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>36,250</b>	<b>91</b>	<b>0</b>	<b>41,579</b>	<b>(35,612)</b>
<b>Other Financing Sources:</b>					
Operating Transfers-In	0	0	0	8,000	0
<b>Fund Balances at Beginning of Year</b>	<b>201,211</b>	<b>15,360</b>	<b>2,210</b>	<b>173,849</b>	<b>283,700</b>
<b>Fund Balances at End of Year</b>	<b>\$237,461</b>	<b>\$15,451</b>	<b>\$2,210</b>	<b>\$223,428</b>	<b>\$248,088</b>

Career Development	Local Professional Development	Education Management Information System	Public School Preschool	District Professional Development	Instructional Materials Subsidy	OhioReads	Summer School Subsidy
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0	0
27,486	40,643	31,492	237,564	9,000	0	102,010	14,336
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
27,486	40,643	31,492	237,564	9,000	0	102,010	14,336
0	0	0	95,877	0	8,435	92,093	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
19,023	0	0	27,663	5,935	0	3,155	0
0	47,860	0	77,530	0	0	27,613	0
0	0	0	20,856	0	0	0	0
0	0	0	8,406	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	6,054	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
19,023	47,860	0	236,386	5,935	8,435	122,861	0
8,463	(7,217)	31,492	1,178	3,065	(8,435)	(20,851)	14,336
0	0	0	0	0	0	0	0
87,846	38,798	0	18,521	0	8,435	53,297	0
\$96,309	\$31,581	\$31,492	\$19,699	\$3,065	\$0	\$32,446	\$14,336

(Continued)

KETTERING CITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 ALL SPECIAL REVENUE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001  
 (Continued)

	Alternative	Other State Funds	Adult Basic Education	EESA Ttitle II	EESA Title VI-B
<b>Revenues:</b>					
Tuition and Fees	\$0	\$0	\$0	\$0	\$0
Interest	0	0	0	0	0
Intergovernmental	75,000	105,136	91,185	18,478	434,511
Extracurricular Activities	0	0	0	0	0
Classroom Materials and Fees	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<b>Total Revenues</b>	<b>75,000</b>	<b>105,136</b>	<b>91,185</b>	<b>18,478</b>	<b>434,511</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	0	82,056	0	3,759	0
Special	0	0	0	0	28,545
Vocational	0	12,266	0	0	0
Adult/Continuing	0	0	52,099	0	0
<b>Support Services:</b>					
Pupil	0	25,262	2,300	0	177,514
Instructional Staff	0	0	40,206	21,634	30,961
Administration	0	0	4,436	0	113,595
Operation and Maintenance of Plant	0	0	0	0	0
Pupil Transportation	0	0	0	0	38,669
Central	0	0	0	0	0
Non-Instructional Services	0	0	0	0	45,078
Extracurricular Activities	0	0	0	0	0
<b>Total Expenditures</b>	<b>0</b>	<b>119,584</b>	<b>99,041</b>	<b>25,393</b>	<b>434,362</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>75,000</b>	<b>(14,448)</b>	<b>(7,856)</b>	<b>(6,915)</b>	<b>149</b>
<b>Other Financing Sources:</b>					
Operating Transfers-In	0	0	0	0	0
<b>Fund Balances at Beginning of Year</b>	<b>0</b>	<b>56,215</b>	<b>12,880</b>	<b>29,815</b>	<b>13,232</b>
<b>Fund Balances at End of Year</b>	<b>\$75,000</b>	<b>\$41,767</b>	<b>\$5,024</b>	<b>\$22,900</b>	<b>\$13,381</b>

Carl D. Perkins	Title I	Even Start Program	Title VI Innovation	Drug Free School Grant	Preschool Grant	Other Federal Programs	Totals
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$93,161
0	0	0	0	0	0	0	49,969
79,284	393,155	199,346	28,663	52,874	5,176	231,777	3,478,394
0	0	0	0	0	0	0	556,758
0	0	0	0	0	0	0	45,123
0	0	0	0	0	0	0	150,103
79,284	393,155	199,346	28,663	52,874	5,176	231,777	4,373,508
0	0	0	36,811	0	0	229,471	614,746
0	364,401	92,212	0	0	756	0	485,914
47,003	0	0	0	0	0	0	59,269
0	0	0	0	0	0	0	52,099
0	25,938	53,184	3,915	51,087	2,337	40,740	438,053
0	0	0	0	0	0	20,679	271,644
0	0	16,470	0	0	0	7,324	483,108
0	0	0	0	0	0	0	17,241
0	0	296	0	0	0	0	38,965
0	0	1,500	0	0	0	0	9,154
0	0	0	2,027	3,117	0	0	1,410,408
0	0	0	0	0	0	0	391,631
47,003	390,339	163,662	42,753	54,204	3,093	298,214	4,272,232
32,281	2,816	35,684	(14,090)	(1,330)	2,083	(66,437)	101,276
0	0	0	0	0	0	0	8,000
15,671	13,590	0	24,819	8,709	1,083	79,302	1,138,543
\$47,952	\$16,406	\$35,684	\$10,729	\$7,379	\$3,166	\$12,865	\$1,247,819

KETTERING CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL  
PUBLIC SCHOOL SUPPORT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Interest	\$19,338	\$20,515	\$1,177
Extracurricular Activities	241,096	214,492	(26,604)
Classroom Materials and Fees	53,496	45,123	(8,373)
Miscellaneous	71,070	108,907	37,837
Total Revenues	385,000	389,037	4,037
Expenditures:			
Current:			
Instruction:			
Regular:			
Supplies and Materials	65,835	44,562	21,273
Capital Outlay	12,533	9,408	3,125
Other Regular Instruction	3,235	2,717	518
Total Regular	81,603	56,687	24,916
Total Instruction	81,603	56,687	24,916
Support Services:			
Instructional Staff:			
Purchased Services	2,349	974	1,375
Supplies and Materials	7,079	915	6,164
Capital Outlay	3,118	638	2,480
Total Instructional Staff	12,546	2,527	10,019
Administration:			
Purchased Services	82,034	73,101	8,933
Supplies and Materials	192,752	173,372	19,380
Capital Outlay	40,043	33,379	6,664
Other Administration	53,944	47,522	6,422
Total Administration	368,773	327,374	41,399
Total Support Services	381,319	329,901	51,418
Total Expenditures	462,922	386,588	76,334
Excess of Revenues Over (Under) Expenditures	(77,922)	2,449	80,371
Fund Balance at Beginning of Year	169,602	169,602	0
Prior Year Encumbrances Appropriated	42,453	42,453	0
Fund Balance at End of Year	\$134,133	\$214,504	\$80,371

KETTERING CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES-BUDGET (NON-GAAP)  
BASIS) AND ACTUAL - PATHFINDER/PRESCHOOL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$8,361	\$9,227	\$866
Tuition	33,075	33,075	0
Miscellaneous	1,503	1,503	0
<b>Total Revenues</b>	<b>42,939</b>	<b>43,805</b>	<b>866</b>
Expenditures:			
Current:			
Instruction:			
Regular :			
Supplies and Materials	19,566	16,234	3,332
Capital Outlay	35	35	0
<b>Total Regular</b>	<b>19,601</b>	<b>16,269</b>	<b>3,332</b>
<b>Total Instruction</b>	<b>19,601</b>	<b>16,269</b>	<b>3,332</b>
Support Services:			
Instructional Staff :			
Salaries and Wages	3,375	1,331	2,044
Fringe Benefits	521	206	315
Supplies and Materials	2,286	826	1,460
Capital Outlay	500	370	130
<b>Total Instructional Staff</b>	<b>6,682</b>	<b>2,733</b>	<b>3,949</b>
Administration :			
Salaries and Wages	21,000	15,740	5,260
Fringe Benefits	7,524	6,048	1,476
Purchased Services	1,950	1,141	809
<b>Total Administration</b>	<b>30,474</b>	<b>22,929</b>	<b>7,545</b>
Central :			
Purchased Services	2,600	1,600	1,000
<b>Total Central</b>	<b>2,600</b>	<b>1,600</b>	<b>1,000</b>
<b>Total Support Services</b>	<b>39,756</b>	<b>27,262</b>	<b>12,494</b>
<b>Total Expenditures</b>	<b>59,357</b>	<b>43,531</b>	<b>15,826</b>
Excess of Revenues Over (Under) Expenditures	(16,418)	274	16,692
Fund Balance at Beginning of Year	16,419	16,419	0
<b>Fund Balance at End of Year</b>	<b>\$1</b>	<b>\$16,693</b>	<b>\$16,692</b>

KETTERING CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL  
VENTURE CAPITAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased Services	260	0	260
Capital Outlay	32	0	32
Total Regular	<u>292</u>	<u>0</u>	<u>292</u>
Total Instruction	<u>292</u>	<u>0</u>	<u>292</u>
Support Services:			
Instructional Staff:			
Salaries and Wages	813	0	813
Fringe Benefits	140	0	140
Total Instructional Staff	<u>953</u>	<u>0</u>	<u>953</u>
Administration:			
Purchased Services	466	0	466
Supplies and Materials	488	0	488
Total Administration	<u>954</u>	<u>0</u>	<u>954</u>
Total Support Services	<u>1,907</u>	<u>0</u>	<u>1,907</u>
Total Expenditures	<u>2,199</u>	<u>0</u>	<u>2,199</u>
Excess of Revenues Over (Under) Expenditures	(2,199)	0	2,199
Fund Balance at Beginning of Year	<u>2,210</u>	<u>2,210</u>	<u>0</u>
Fund Balance at End of Year	<u>\$11</u>	<u>\$2,210</u>	<u>\$2,199</u>



KETTERING CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES-BUDGET (NON-GAAP  
BASIS) AND ACTUAL - ATHLETIC FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Tuition and Fees	\$60,086	\$60,086	\$0
Extracurricular Activities	341,366	342,266	900
Miscellaneous	39,693	39,693	0
<b>Total Revenues</b>	<b>441,145</b>	<b>442,045</b>	<b>900</b>
Expenditures:			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	8,894	8,835	59
<b>Total Operation and Maintenance of Plant</b>	<b>8,894</b>	<b>8,835</b>	<b>59</b>
<b>Total Support Services</b>	<b>8,894</b>	<b>8,835</b>	<b>59</b>
Extracurricular Activities:			
Academic and Subject Oriented:			
Purchased Services	10,300	9,878	422
Supplies and Materials	31,725	30,610	1,115
Capital Outlay	1,000	0	1,000
Other Academic and Subject Oriented	19,697	18,330	1,367
<b>Total Academic and Subject Oriented</b>	<b>62,722</b>	<b>58,818</b>	<b>3,904</b>
Sports Oriented:			
Salaries and Wages	4,376	2,806	1,570
Fringe Benefits	908	422	486
Purchased Services	81,116	74,754	6,362
Supplies and Materials	129,295	124,570	4,725
Capital Outlay	32,155	29,444	2,711
Other Sports Oriented	23,943	23,048	895
<b>Total Sports Oriented</b>	<b>271,793</b>	<b>255,044</b>	<b>16,749</b>
School and Public Services:			
Purchased Services	61,729	48,469	13,260
Supplies and Materials	46,250	32,205	14,045
Capital Outlay	1,000	1,000	0
Other School and Public Services	58,168	56,116	2,052
<b>Total School and Public Services</b>	<b>167,147</b>	<b>137,790</b>	<b>29,357</b>
<b>Total Extracurricular Activities</b>	<b>501,662</b>	<b>451,652</b>	<b>50,010</b>
<b>Total Expenditures</b>	<b>510,556</b>	<b>460,487</b>	<b>50,069</b>
Excess of Revenues Over (Under) Expenditures	(69,411)	(18,442)	50,969
Other Financing Sources (Uses):			
Operating Transfers-In	8,000	8,000	0
Fund Balance at Beginning of Year	85,441	85,441	0
Prior Year Encumbrances Appropriated	103,816	103,816	0
<b>Fund Balance at End of Year</b>	<b>\$127,846</b>	<b>\$178,815</b>	<b>\$50,969</b>

KETTERING CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES-BUDGET (NON-GAAP  
BASIS) AND ACTUAL - AUXILIARY SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Interest	\$32,945	\$34,825	\$1,880
Intergovernmental	1,292,051	1,292,051	0
Total Revenues	<u>1,324,996</u>	<u>1,326,876</u>	<u>1,880</u>
Expenditures:			
Current:			
Non-Instructional:			
Salaries and Wages	681,047	681,047	0
Fringe Benefits	169,791	169,791	0
Purchased Services	130,190	130,190	0
Supplies and Materials	725,720	725,691	29
Capital Outlay	86,308	86,291	17
Total Non-Instructional Services	<u>1,793,056</u>	<u>1,793,010</u>	<u>46</u>
Total Expenditures	<u>1,793,056</u>	<u>1,793,010</u>	<u>46</u>
Excess of Revenues Over (Under) Expenditures	<u>(468,060)</u>	<u>(466,134)</u>	<u>1,926</u>
Fund Balance at Beginning of Year	239,138	239,138	0
Prior Year Encumbrances Appropriated	<u>229,405</u>	<u>229,405</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$483</u></u>	<u><u>\$2,409</u></u>	<u><u>\$1,926</u></u>

KETTERING CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES-BUDGET (NONGAAP  
BASIS) AND ACTUAL - CAREER DEVELOPMENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$27,486	\$27,486	\$0
Total Revenues	27,486	27,486	0
Expenditures:			
Current:			
Support Services:			
Pupil:			
Salaries and Wages	7,371	6,000	1,371
Fringe benefits	1,023	899	124
Purchased Services	10,000	0	10,000
Supplies and Materials	36,606	15,524	21,082
Total Pupil	55,000	22,423	32,577
Total Support Services	55,000	22,423	32,577
Total Expenditures	55,000	22,423	32,577
Excess of Revenues Over (Under) Expenditures	(27,514)	5,063	32,577
Fund Balance at Beginning of Year	87,846	87,846	0
Prior Year Encumbrances Appropriated	1,000	1,000	0
Fund Balance at End of Year	\$61,332	\$93,909	\$32,577

KETTERING CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES-BUDGET  
(NON-GAAP BASIS) AND ACTUAL  
LOCAL PROFESSIONAL DEVELOPMENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$40,643	\$40,643	\$0
Total Revenues	40,643	40,643	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	11,245	2,420	8,825
Fringe Benefits	2,763	359	2,404
Purchased Services	50,012	45,161	4,851
Supplies and Materials	15,421	14,421	1,000
Total Instructional Staff	79,441	62,361	17,080
Total Support Services	79,441	62,361	17,080
Total Expenditures	79,441	62,361	17,080
Excess of Revenues Over (Under) Expenditures	(38,798)	(21,718)	17,080
Fund Balance at Beginning of Year	30,043	30,043	0
Prior Year Encumbrances Appropriated	8,755	8,755	0
Fund Balance at End of Year	\$0	\$17,080	\$17,080

KETTERING CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL  
 EDUCATION MANAGEMENT INFORMATION SYSTEM FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$23,282	\$31,492	\$8,210
Total Revenues	23,282	31,492	8,210
Expenditures:			
Current:			
Support Services:			
Central:			
Supplies and Materials	23,282	23,282	0
Total Central	23,282	23,282	0
Total Support Services	23,282	23,282	0
Total Expenditures	23,282	23,282	0
Excess of Revenues Over (Under) Expenditures	0	8,210	8,210
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$8,210	\$8,210

KETTERING CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP  
 BASIS) AND ACTUAL - PUBLIC SCHOOL PRESCHOOL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$237,564	\$237,564	\$0
Total Revenues	237,564	237,564	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	62,660	62,660	0
Fringe Benefits	9,836	9,836	0
Supplies and Materials	25,906	25,906	0
Capital Outlay	22,037	22,037	0
Other Regular Instruction	2,351	2,351	0
Total Regular	122,790	122,790	0
Total Instruction	122,790	122,790	0
Support Services:			
Pupil:			
Salaries and Wages	23,718	23,718	0
Fringe Benefits	3,668	3,668	0
Purchased Services	2,384	2,384	0
Total Pupil	29,770	29,770	0
Instructional Staff:			
Salaries and Wages	63,893	63,893	0
Fringe Benefits	10,625	10,625	0
Purchased Services	380	380	0
Supplies and Materials	816	816	0
Capital Outlay	6,051	6,051	0
Total Instructional Staff	81,765	81,765	0
Administration:			
Salaries and Wages	13,328	13,328	0
Fringe Benefits	6,586	6,586	0
Supplies and Materials	5,209	5,209	0
Total Administration	25,123	25,123	0
Operation and Maintenance of Plant:			
Purchased Services	5,635	5,635	0
Capital Outlay	11,459	11,459	0
Total Operation and Maintenance of Plant	17,094	17,094	0
Central:			
Purchased Services	6,832	6,832	0
Supplies and Materials	2,945	2,945	0
Total Central	9,777	9,777	0
Total Support Services	163,529	163,529	0
Total Expenditures	286,319	286,319	0
Excess of Revenues Over (Under) Expenditures	(48,755)	(48,755)	0
Fund Balance at Beginning of Year	18,252	18,252	0
Prior Year Encumbrances Appropriated	30,503	30,503	0
Fund Balance at End of Year	\$0	\$0	\$0

KETTERING CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL  
 DISTRICT PROFESSIONAL DEVELOPMENT FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$9,000	\$9,000	\$0
Total Revenues	<u>9,000</u>	<u>9,000</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	5,420	3,518	1,902
Fringe Benefits	1,342	542	800
Purchased Services	2,238	2,005	233
Total Instructional Staff	<u>9,000</u>	<u>6,065</u>	<u>2,935</u>
Total Support Services	<u>9,000</u>	<u>6,065</u>	<u>2,935</u>
Total Expenditures	<u>9,000</u>	<u>6,065</u>	<u>2,935</u>
Excess of Revenues Over (Under) Expenditures	0	2,935	2,935
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$2,935</u>	<u>\$2,935</u>

KETTERING CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL  
 INSTRUCTIONAL MATERIALS SUBSIDY FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Supplies and Materials	8,435	8,435	0
Total Regular	8,435	8,435	0
Total Instruction	8,435	8,435	0
Total Expenditures	8,435	8,435	0
Excess of Revenues Over (Under) Expenditures	(8,435)	(8,435)	0
Fund Balance at Beginning of Year	8,435	8,435	0
Fund Balance at End of Year	\$0	\$0	\$0



KETTERING CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP  
 BASIS) AND ACTUAL - OHIOREADS FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$102,010	\$102,010	\$0
Total Revenues	<u>102,010</u>	<u>102,010</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	26,477	20,250	6,227
Fringe Benefits	5,633	3,251	2,382
Purchased Services	35,006	35,006	0
Supplies and Materials	45,794	44,845	949
Capital Outlay	3,024	3,024	0
Total Regular	<u>115,934</u>	<u>106,376</u>	<u>9,558</u>
Total Instruction	<u>115,934</u>	<u>106,376</u>	<u>9,558</u>
Support Services:			
Pupil:			
Salaries and Wages	3,000	3,000	0
Fringe Benefits	155	155	0
Total Pupil	<u>3,155</u>	<u>3,155</u>	<u>0</u>
Instructional Staff:			
Salaries and Wages	6,406	2,608	3,798
Fringe Benefits	1,907	403	1,504
Purchased Services	24,867	24,867	0
Total Instructional Staff	<u>33,180</u>	<u>27,878</u>	<u>5,302</u>
Total Support Services	<u>33,180</u>	<u>27,878</u>	<u>5,302</u>
Total Expenditures	<u>152,269</u>	<u>137,409</u>	<u>14,860</u>
Excess of Revenues Over (Under) Expenditures	(50,259)	(35,399)	14,860
Fund Balance at Beginning of Year	50,897	50,897	0
Prior Year Encumbrances Appropriated	<u>5,218</u>	<u>5,218</u>	<u>0</u>
Fund Balance at End of Year	<u>\$5,856</u>	<u>\$20,716</u>	<u>\$14,860</u>

KETTERING CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL  
 SUMMER SCHOOL SUBSIDY FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$0	\$14,336	\$14,336
Total Revenues	0	14,336	14,336
Expenditures:			
Current:			
Instruction			
Regular:			
Salaries and Wages	0	0	0
Fringe Benefits	0	0	0
Purchased Services	0	0	0
Total Regular	0	0	0
Total Instruction	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	0	14,336	14,336
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$14,336	\$14,336

KETTERING CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL  
 ALTERNATIVE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$0	\$75,000	\$75,000
Total Revenues	0	75,000	75,000
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	0	0	0
Finge Benefits	0	0	0
Purchased Services	0	0	0
Total Regular	0	0	0
Total Instruction	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	0	75,000	75,000
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$75,000	\$75,000

KETTERING CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES-BUDGET (NON-GAAP  
BASIS) AND ACTUAL - OTHER STATE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$105,136	\$105,136	\$0
Total Revenues	105,136	105,136	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	2,444	2,444	0
Fringe Benefits	754	754	0
Purchased Services	17,865	17,241	624
Supplies and Materials	19,465	17,192	2,273
Capital Outlay	68,706	68,706	0
Total Regular	109,234	106,337	2,897
Vocational:			
Supplies and Materials	19,671	0	19,671
Capital Outlay	12,266	12,266	0
Total Vocational	31,937	12,266	19,671
Total Instruction	141,171	118,603	22,568
Support Services:			
Pupil:			
Salaries and Wages	21,497	16,997	4,500
Fringe Benefits	11,193	8,115	3,078
Supplies and Materials	203	27	176
Total Pupil	32,893	25,139	7,754
Operation and Maintenance of Plant:			
Purchased Services	9,284	0	9,284
Supplies and Materials	656	0	656
Total Operation and Maintenance of Plant	9,940	0	9,940
Total Support Services	42,833	25,139	17,694
Total Expenditures	184,004	143,742	40,262
Excess of Revenues Over (Under) Expenditures	(78,868)	(38,606)	40,262
Fund Balance at Beginning of Year	39,444	39,444	0
Prior Year Encumbrances Appropriated	39,675	39,675	0
Fund Balance at End of Year	\$251	\$40,513	\$40,262

KETTERING CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL  
ADULT BASIC EDUCATION FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$89,160	\$89,160	\$0
Total Revenues	89,160	89,160	0
Expenditures:			
Current:			
Instruction:			
Adult/Continuing:			
Salaries and Wages	39,072	38,971	101
Fringe Benefits	6,279	6,224	55
Supplies and Materials	4,212	4,063	149
Capital Outlay	4,339	3,827	512
Total Adult/Continuing	53,902	53,085	817
Total Instruction	53,902	53,085	817
Support Services:			
Pupil:			
Salaries and Wages	2,096	1,992	104
Fringe Benefits	356	308	48
Total Pupil	2,452	2,300	152
Instructional Staff:			
Salaries and Wages	37,314	37,314	0
Fringe Benefits	6,572	6,384	188
Purchased Services	382	382	0
Supplies and Materials	666	666	0
Total Instructional Staff	44,934	44,746	188
Administration:			
Salaries and Wages	4,074	4,074	0
Fringe Benefits	815	768	47
Purchased Services	311	310	1
Total Administration	5,200	5,152	48
Total Support Service:	52,586	52,198	388
Total Expenditures	106,488	105,283	1,205
Excess of Revenues Over (Under) Expenditures	(17,328)	(16,123)	1,205
Fund Balance at Beginning of Year	17,314	17,314	0
Prior Year Encumbrances Appropriated	15	15	0
Fund Balance at End of Year	\$1	\$1,206	\$1,205

KETTERING CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
AND CHANGES IN FUND BALANCES-BUDGET (NON-GAAP  
BASIS) AND ACTUAL - EESA TITLE II FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$18,478	\$18,478	\$0
Total Revenues	18,478	18,478	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	4,427	1,500	2,927
Fringe Benefits	3,987	231	3,756
Purchased Services	3,059	1,264	1,795
Supplies and Materials	4,224	1,089	3,135
Total Regular	15,697	4,084	11,613
Total Instruction	15,697	4,084	11,613
Support Services:			
Instructional Staff:			
Salaries and Wages	5,000	1,075	3,925
Fringe Benefits	2,000	131	1,869
Purchased Services	4,986	299	4,687
Supplies and Materials	210	210	0
Total Instructional Staff	12,196	1,715	10,481
Total Support Services	12,196	1,715	10,481
Non-Instructional Services:			
Purchased Services	408	0	408
Total Non-Instructional Services	408	0	408
Total Expenditures	28,301	5,799	22,502
Excess of Revenues Over (Under) Expenditures	(9,823)	12,679	22,502
Other Financing Sources (Uses):			
Refund of Prior Year's Receipts	(20,119)	(20,119)	0
Total Other Financing Sources (Uses)	(20,119)	(20,119)	0
Excess of Revenues Over (Under ) Expenditures and Other Financing Uses	(29,942)	(7,440)	22,502
Fund Balance at Beginning of Year	29,421	29,421	0
Prior Year Encumbrances Appropriated	519	519	0
Fund Balance at End of Year	(\$2)	\$22,500	\$22,502

KETTERING CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP  
 BASIS) AND ACTUAL - EESA TITLE VI-B FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$426,317	\$426,317	\$0
Total Revenues	<u>426,317</u>	<u>426,317</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and Wages	61	0	61
Fringe Benefits	147	0	147
Capital Outlay	28,950	28,545	405
Total Special	<u>29,158</u>	<u>28,545</u>	<u>613</u>
Total Instruction	<u>29,158</u>	<u>28,545</u>	<u>613</u>
Support Services:			
Pupil:			
Salaries and Wages	119,923	119,923	0
Fringe Benefits	49,846	44,979	4,867
Purchased Services	18,550	18,050	500
Capital Outlay	3,646	3,594	52
Total Pupil	<u>191,965</u>	<u>186,546</u>	<u>5,419</u>
Instructional Staff:			
Salaries and Wages	16,119	16,119	0
Fringe Benefits	2,502	2,489	13
Purchased Services	6,980	5,613	1,367
Total Instructional Staff	<u>25,601</u>	<u>24,221</u>	<u>1,380</u>
Administration:			
Salaries and Wages	84,838	84,838	0
Fringe Benefits	28,532	23,812	4,720
Purchased Services	2,739	1,569	1,170
Capital Outlay	3,600	3,600	0
Total Administration	<u>119,709</u>	<u>113,819</u>	<u>5,890</u>
Pupils Transportation:			
Salaries and Wages	25,916	25,916	0
Fringe Benefits	7,760	6,374	1,386
Total Pupils Transportation	<u>33,676</u>	<u>32,290</u>	<u>1,386</u>
Total Support Services	<u>370,951</u>	<u>356,876</u>	<u>14,075</u>
Non-Instructional Services:			
Salaries and Wages	41,549	34,990	6,559
Fringe Benefits	9,825	8,465	1,360
Purchased Services	750	380	370
Supplies and Materials	300	124	176
Total Non-Instructional Services	<u>52,424</u>	<u>43,959</u>	<u>8,465</u>
Total Expenditures	<u>452,533</u>	<u>429,380</u>	<u>23,153</u>
Excess of Revenues Over (Under) Expenditures	(26,216)	(3,063)	23,153
Fund Balance at Beginning of Year	25,501	25,501	0
Prior Year Encumbrances Appropriated	715	715	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$23,153</u>	<u>\$23,153</u>

KETTERING CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
 BASIS) AND ACTUAL - CARL D. PERKINS VEA FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$79,284	\$79,284	\$0
Total Revenues	<u>79,284</u>	<u>79,284</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Vocational:			
Salaries and Wages	25,430	7,206	18,224
Fringe Benefits	8,723	2,561	6,162
Purchased Services	27,989	24,719	3,270
Supplies and Materials	21,655	19,565	2,090
Total Vocational	<u>83,797</u>	<u>54,051</u>	<u>29,746</u>
Total Instruction	<u>83,797</u>	<u>54,051</u>	<u>29,746</u>
Total Expenditures	<u>83,797</u>	<u>54,051</u>	<u>29,746</u>
Excess of Revenues Over (Under) Expenditures	(4,513)	25,233	29,746
Fund Balance at Beginning of Year	16,523	16,523	0
Prior Year Encumbrances Appropriated	<u>2,773</u>	<u>2,773</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$14,783</u></u>	<u><u>\$44,529</u></u>	<u><u>\$29,746</u></u>



KETTERING CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP  
 BASIS) AND ACTUAL - TITLE I FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$388,458	\$388,458	\$0
Total Revenues	388,458	388,458	0
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and Wages	313,135	295,815	17,320
Fringe Benefits	79,969	65,700	14,269
Purchased Services	1,250	1,250	0
Total Special	394,354	362,765	31,589
Total Instruction	394,354	362,765	31,589
Support Services:			
Pupil:			
Salaries and Wages	21,916	18,949	2,967
Fringe Benefits	8,897	8,254	643
Total Pupil	30,813	27,203	3,610
Total Support Services	30,813	27,203	3,610
Total Expenditures	425,167	389,968	35,199
Excess of Revenues Over (Under) Expenditures	(36,709)	(1,510)	35,199
Fund Balance at Beginning of Year	36,713	36,713	0
Fund Balance at End of Year	\$4	\$35,203	\$35,199

KETTERING CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP  
BASIS) AND ACTUAL - EVEN START PROGRAM FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$199,346	\$193,455	(\$5,891)
Total Revenues	199,346	193,455	(5,891)
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and Wages	86,509	67,751	18,758
Fringe Benefits	14,775	10,468	4,307
Supplies and Materials	3,673	2,157	1,516
Total Special	104,957	80,376	24,581
Total Instruction	104,957	80,376	24,581
Support Services:			
Pupil:			
Salaries and Wages	45,524	34,409	11,115
Fringe Benefits	8,030	5,700	2,330
Purchased Services	10,100	8,764	1,336
Total Pupil	63,654	48,873	14,781
Administration:			
Salaries and Wages	13,578	11,550	2,028
Fringe Benefits	3,766	3,088	678
Total Administration	17,344	14,638	2,706
Pupil Transportation:			
Other Pupil Transportation	300	296	4
Total Pupil Transportation	300	296	4
Central:			
Purchased Services	5,000	1,500	3,500
Total Central	5,000	1,500	3,500
Total Support Services	86,298	65,307	20,991
Total Expenditures	191,255	145,683	45,572
Excess of Revenues Over (Under) Expenditures	8,091	47,772	39,681
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$8,091	\$47,772	\$39,681

KETTERING CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP  
 BASIS) AND ACTUAL - TITLE VI INNOVATION FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$28,663	\$28,663	\$0
Total Revenues	<u>28,663</u>	<u>28,663</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	12,000	12,000	0
Fringe Benefits	700	700	0
Supplies and Materials	7,242	7,095	147
Capital Outlay	16,515	16,515	0
Total Regular	<u>36,457</u>	<u>36,310</u>	<u>147</u>
Total Instruction	<u>36,457</u>	<u>36,310</u>	<u>147</u>
Support Services:			
Pupil:			
Salaries and Wages	6,308	200	6,108
Fringe Benefits	300	31	269
Purchased Services	1,000	1,000	0
Supplies and Materials	2,233	2,233	0
Total Pupil	<u>9,841</u>	<u>3,464</u>	<u>6,377</u>
Total Support Services	<u>9,841</u>	<u>3,464</u>	<u>6,377</u>
Non-Instructional Services:			
Purchased Services	3,026	3,026	0
Supplies and Materials	4,157	4,157	0
Total Non-Instructional Services	<u>7,183</u>	<u>7,183</u>	<u>0</u>
Total Expenditures	<u>53,481</u>	<u>46,957</u>	<u>6,524</u>
Excess of Revenues Over (Under) Expenditures	<u>(24,818)</u>	<u>(18,294)</u>	<u>6,524</u>
Fund Balance at Beginning of Year	24,158	24,158	0
Prior Year Encumbrances Appropriated	<u>662</u>	<u>662</u>	<u>0</u>
Fund Balance at End of Year	<u>\$2</u>	<u>\$6,526</u>	<u>\$6,524</u>

KETTERING CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES-BUDGET (NON-GAAP  
BASIS) AND ACTUAL - DRUG FREE SCHOOL PROGRAM FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$47,455	\$47,455	\$0
Total Revenues	47,455	47,455	0
Expenditures:			
Current:			
Support Services:			
Pupil:			
Salaries and Wages	26,583	25,381	1,202
Fringe Benefits	2,443	2,174	269
Purchased Services	20,058	20,058	0
Supplies and Materials	3,999	3,999	0
Total Pupil	53,083	51,612	1,471
Total Support Services	53,083	51,612	1,471
Non-Instructional Services:			
Purchased Services	2,613	2,613	0
Supplies and Materials	884	884	0
Total Non-Instructional Services	3,497	3,497	0
Total Expenditures	56,580	55,109	1,471
Excess of Revenues Over (Under) Expenditures	(9,125)	(7,654)	1,471
Fund Balance at Beginning of Year	6,375	6,375	0
Prior Year Encumbrances Appropriated	2,751	2,751	0
Fund Balance at End of Year	\$1	\$1,472	\$1,471

KETTERING CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP  
 BASIS) AND ACTUAL - PRESCHOOL GRANT FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$5,176	\$5,176	\$0
Total Revenues	5,176	5,176	0
Expenditures:			
Current:			
Instruction:			
Special:			
Purchased Services	4,079	3,752	327
Total Special	4,079	3,752	327
Total Instruction	4,079	3,752	327
Support Services:			
Pupil:			
Purchased Services	5,176	5,176	0
Total Pupil	5,176	5,176	0
Total Support Services	5,176	5,176	0
Total Expenditures	9,255	8,928	327
Excess of Revenues Over (Under) Expenditures	(4,079)	(3,752)	327
Fund Balance at Beginning of Year	0	0	
Prior Year Encumbrances Appropriated	4,079	4,079	0
Fund Balance at End of Year	\$0	\$327	\$327

KETTERING CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP  
 BASIS) AND ACTUAL - OTHER FEDERAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$285,235	\$211,157	(\$74,078)
Total Revenues	285,235	211,157	(74,078)
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	185,901	136,898	49,003
Fringe Benefits	43,126	37,239	5,887
Purchased Services	47,082	46,771	311
Supplies and Materials	43,135	41,303	1,832
Total Regular	319,244	262,211	57,033
Total Instruction	319,244	262,211	57,033
Support Services:			
Pupil:			
Purchased Services	8,535	8,535	0
Supplies and Materials	12,783	12,783	0
Total Pupil	21,318	21,318	0
Instructional Staff:			
Purchased Services	11,014	11,014	0
Total Instructional Staff	11,014	11,014	0
Administration:			
Supplies and Materials	2,324	2,324	0
Other Administration	5,000	5,000	0
Total Adminsitration	7,324	7,324	0
Total Support Services	39,656	39,656	0
Total Expenditures	358,900	301,867	57,033
Excess of Revenues Over (Under) Expenditures	(73,665)	(90,710)	(17,045)
Fund Balance at Beginning of Year	40,969	40,969	
Prior Year Encumbrances Appropriated	32,696	32,696	0
Fund Balance at End of Year	\$0	(\$17,045)	(\$17,045)

KETTERING CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP  
 BASIS) AND ACTUAL - ALL SPECIAL REVENUE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
<b>Revenues:</b>			
Tuition and Fees	\$93,161	\$93,161	\$0
Interest	52,283	55,340	3,057
Intergovernmental	3,413,105	3,431,548	18,443
Extracurricular Activities	582,462	556,758	(25,704)
Classroom Materials and Fees	53,496	45,123	(8,373)
Miscellaneous	112,266	150,103	37,837
<b>Total Revenues</b>	<b>4,306,773</b>	<b>4,332,033</b>	<b>25,260</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
<b>Regular:</b>			
Salaries and Wages	293,909	235,752	58,157
Fringe Benefits	64,036	52,011	12,025
Purchased Services	103,272	100,282	2,990
Supplies and Materials	239,602	206,661	32,941
Capital Outlay	122,882	119,725	3,157
Other Regular	5,586	5,068	518
<b>Total Regular</b>	<b>829,287</b>	<b>719,499</b>	<b>109,788</b>
<b>Special:</b>			
Salaries and Wages	399,705	363,566	36,139
Fringe Benefits	94,891	76,168	18,723
Purchased Services	5,329	5,002	327
Supplies and Materials	3,673	2,157	1,516
Capital Outlay	28,950	28,545	405
<b>Total Special</b>	<b>532,548</b>	<b>475,438</b>	<b>57,110</b>
<b>Vocational:</b>			
Salaries and Wages	25,430	7,206	18,224
Fringe Benefits	8,723	2,561	6,162
Purchased Services	27,989	24,719	3,270
Supplies and Materials	41,326	19,565	21,761
Capital Outlay	12,266	12,266	0
<b>Total Vocational</b>	<b>115,734</b>	<b>66,317</b>	<b>49,417</b>
<b>Adult/Continuing:</b>			
Salaries and Wages	39,072	38,971	101
Fringe Benefits	6,279	6,224	55
Purchased Services	0	0	0
Supplies and Materials	4,212	4,063	149
Capital Outlay	4,339	3,827	512
<b>Total Adult/Continuing</b>	<b>53,902</b>	<b>53,085</b>	<b>817</b>
<b>Total Instruction</b>	<b>1,531,471</b>	<b>1,314,339</b>	<b>217,132</b>

(Continued)

KETTERING CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES-BUDGET (NON-GAAP  
 BASIS) AND ACTUAL - ALL SPECIAL REVENUE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001  
 (Continued)

	Revised Budget	Actual	Over/Under
Support Services:			
Pupil:			
Salaries and Wages	277,936	250,569	27,367
Fringe Benefits	85,911	74,283	11,628
Purchased Services	75,803	63,967	11,836
Supplies and Materials	39,575	34,566	5,009
Capital Outlay	3,646	3,594	52
Total Pupil	482,871	426,979	55,892
Instructional Staff:			
Salaries and Wages	149,585	128,278	21,307
Fringe Benefits	28,372	21,139	7,233
Purchased Services	103,208	90,695	12,513
Supplies and Materials	26,478	17,854	8,624
Capital Outlay	9,669	7,059	2,610
Total Instructional Staff	317,312	265,025	52,287
Administration:			
Salaries and Wages	136,818	129,530	7,288
Fringe Benefits	47,223	40,302	6,921
Purchased Services	87,500	76,121	11,379
Supplies and Materials	200,773	180,905	19,868
Capital Outlay	43,643	36,979	6,664
Other Administration	58,944	52,522	6,422
Total Administration	574,901	516,359	58,542
Operation & Maintenance of Plant:			
Purchased Services	23,813	14,470	9,343
Supplies and Materials	656	0	656
Capital Outlay	11,459	11,459	0
Total Operation & Maintenance of Plant	35,928	25,929	9,999
Pupil Transportation:			
Salaries and Wages	25,916	25,916	0
Fringe Benefits	7,760	6,374	1,386
Other Pupil Transportation	300	296	4
Total Pupil Transportation	33,976	32,586	1,390
Central:			
Purchased Services	14,432	9,932	4,500
Supplies and Materials	26,227	26,227	0
Total Central	40,659	36,159	4,500

(Continued)



KETTERING CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES-BUDGET (NON-GAAP  
BASIS) AND ACTUAL - ALL SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001  
(Continued)

	Revised Budget	Actual	Over/Under
Total Support Services	1,501,896	1,303,037	198,859
Non-Instructional Services:			
Salaries and Wages	722,596	716,037	6,559
Fringe Benefits	179,616	178,256	1,360
Purchased Services	136,987	136,209	778
Supplies and Materials	731,061	730,856	205
Capital Outlay	86,308	86,291	17
Total Non-Instructional Services	1,856,568	1,847,649	8,919
Extracurricular Activities:			
Academic and Subject Oriented:			
Purchased Services	10,300	9,878	422
Supplies and Materials	31,725	30,610	1,115
Capital Outlay	1,000	0	1,000
Other Academic and Subject Oriented	19,697	18,330	1,367
Total Academic and Subject Oriented	62,722	58,818	3,904
Sports Oriented:			
Salaries and Wages	4,376	2,806	1,570
Fringe Benefits	908	422	486
Purchased Services	81,116	74,754	6,362
Supplies and Materials	129,295	124,570	4,725
Capital Outlay	32,155	29,444	2,711
Other Sports Oriented	23,943	23,048	895
Total Sports Oriented	271,793	255,044	16,749
School and Public Services:			
Purchased Services	61,729	48,469	13,260
Supplies and Materials	46,250	32,205	14,045
Capital Outlay	1,000	1,000	0
Other School and Public Services	58,168	56,116	2,052
Total School and Public Services	167,147	137,790	29,357
Total Extracurricular Activities	501,662	451,652	50,010
Total Expenditures	5,391,597	4,916,677	474,920
Excess of Revenues Over (Under) Expenditures	(1,084,824)	(584,644)	500,180
Other Financing Sources (Uses):			
Operating Transfers-In	8,000	8,000	0
Refund of Prior Year's Receipts	(20,119)	(20,119)	0
Total Other Financing Sources (Uses)	(12,119)	(12,119)	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,096,943)	(596,763)	500,180
Fund Balances at Beginning of Year	944,701	944,701	0
Prior Year Encumbrances Appropriated	505,035	505,035	0
Fund Balances at End of Year	\$352,793	\$852,973	\$500,180

## CAPITAL PROJECTS FUNDS

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

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### Permanent Improvement Fund

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

### Building Fund

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

### Replacement Fund

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

### Vocational Education Equipment Fund

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

### SchoolNet Plus Fund

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

KETTERING CITY SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 ALL CAPITAL PROJECTS FUNDS  
 "JUNE 30, 2001"

	Permanent Improvement	Building	Replacement	Vocational Education Equipment	SchoolNet Plus	Totals
<b>Assets:</b>						
Equity in Pooled Cash and Cash Equivalents	\$997,917	\$1,205,587	\$102,038	\$0	\$6,000	\$2,311,542
<b>Receivables:</b>						
Taxes	713,4270	0	0	0	0	713,427
<b>Total Assets</b>	<b>\$1,711,344</b>	<b>\$1,205,587</b>	<b>\$102,038</b>	<b>\$0</b>	<b>\$6,000</b>	<b>\$3,024,969</b>
<b>Liabilities and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts Payable	13,124	248,901	0	0	0	262,025
Deferred Revenue	663,713	0	0	0	0	663,713
<b>Total Liabilities</b>	<b>676,837</b>	<b>248,901</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>925,738</b>
<b>Fund Balances:</b>						
Reserved for Encumbrances	40,838	256,686	0	0	0	297,524
Reserved for Property Tax	49,714	0	0	0	0	49,714
Unreserved	943,955	700,000	102,038	0	6,000	1,751,993
<b>Total Fund Balances</b>	<b>1,034,507</b>	<b>956,686</b>	<b>102,038</b>	<b>0</b>	<b>6,000</b>	<b>2,099,231</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$1,711,344</b>	<b>\$1,205,587</b>	<b>\$102,038</b>	<b>\$0</b>	<b>\$6,000</b>	<b>\$3,024,969</b>

KETTERING CITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES  
 ALL CAPITAL PROJECTS FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Permanent Improvement	Building	Replacement	Vocational Education Equipment	SchoolNet Plus	Totals
<b>Revenues:</b>						
Taxes	\$715,653	\$0	\$0	\$0	\$0	\$715,653
Interest	41,373	0	6,114	0	0	47,487
Intergovernmental	76,189	0	0	22,519	6,000	104,708
Miscellaneous	3,000	0	0	0	0	3,000
<b>Total Revenues</b>	<b>836,215</b>	<b>0</b>	<b>6,114</b>	<b>22,519</b>	<b>6,000</b>	<b>870,848</b>
<b>Expenditures:</b>						
<b>Current:</b>						
<b>Instruction:</b>						
Regular	0	401,013	632	0	105,921	507,566
Vocational	0	0	0	22,519	0	22,519
<b>Support Services:</b>						
Fiscal	9,876	0	0	0	0	9,876
Operation and Maintenance of Plant	745,612	0	7,767	0	0	753,379
Transportation	53,975	0	0	0	0	53,975
Facilities Acquisitions and Constructions	90,324	242,301	0	0	0	332,625
<b>Total Expenditures</b>	<b>899,787</b>	<b>643,314</b>	<b>8,399</b>	<b>22,519</b>	<b>105,921</b>	<b>1,679,940</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>-63,572</b>	<b>-643,314</b>	<b>-2,285</b>	<b>0</b>	<b>-99,921</b>	<b>-809,092</b>
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Bonds	0	1,200,000	0	0	0	1,200,000
Proceeds from Sale of Notes	0	400,000	0	0	0	400,000
Operating Transfers-In	202,000	0	0	0	0	202,000
<b>Total Other Financing Sources (Uses)</b>	<b>202,000</b>	<b>1,600,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,802,000</b>
<b>Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financi</b>	<b>138,428</b>	<b>956,686</b>	<b>-2,285</b>	<b>0</b>	<b>-99,921</b>	<b>992,908</b>
<b>Fund Balances at Beginning of Year</b>	<b>896,079</b>	<b>0</b>	<b>104,323</b>	<b>0</b>	<b>105,921</b>	<b>1,106,323</b>
<b>Fund Balances at End of Year</b>	<b>\$1,034,507</b>	<b>\$956,686</b>	<b>\$102,038</b>	<b>\$0</b>	<b>\$6,000</b>	<b>\$2,099,231</b>

KETTERING CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL  
PERMANENT IMPROVEMENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Taxes	\$672,815	\$685,048	\$12,233
Interest	33,852	45,826	11,974
Intergovernmental	70,500	76,189	5,689
Miscellaneous	3,000	3,000	0
<b>Total Revenues</b>	<b>780,167</b>	<b>810,063</b>	<b>29,896</b>
Expenditures:			
Current:			
Support Services:			
Fiscal:			
Miscellaneous	13,000	9,876	3,124
Total Fiscal	13,000	9,876	3,124
Operation and Maintenance of Plant:			
Purchased Services	983,405	866,311	117,094
Supplies and Materials	3,506	3,406	100
Capital Outlay	58,448	56,530	1,918
Total Operation and Maintenance of Plant	1,045,359	926,247	119,112
Transportation:			
Capital Outlay	56,876	53,975	2,901
Total Transportation	56,876	53,975	2,901
<b>Total Support Services</b>	<b>1,115,235</b>	<b>990,098</b>	<b>125,137</b>
Facilities Acquisition and Construction Services:			
Architecture and Engineering Services:			
Capital Outlay	156,900	156,900	0
Total Architecture and Engineering Services	156,900	156,900	0
<b>Total Expenditures</b>	<b>1,272,135</b>	<b>1,146,998</b>	<b>125,137</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(491,968)</b>	<b>(336,935)</b>	<b>155,033</b>
Other Financing Sources (Uses):			
Transfers-In	0	202,000	202,000
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>202,000</b>	<b>202,000</b>
<b>Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(491,968)</b>	<b>(134,935)</b>	<b>357,033</b>
Fund Balance at Beginning of Year	587,021	587,021	0
Prior Year Encumbrances Appropriated	491,868	491,868	0
<b>Fund Balance at End of Year</b>	<b>\$586,921</b>	<b>\$943,954</b>	<b>\$357,033</b>

KETTERING CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL  
BUILDING FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Interest	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Capital Outlay	401,013	401,013	0
Total Regular	401,013	401,013	0
Total Instruction	401,013	401,013	0
Facilities Acquisition and Construction Services:			
Architecture and Engineering Services:			
Purchased Services	498,987	498,987	0
Facilities Acquisition and Construction Services:	498,987	498,987	0
Total Expenditures:	900,000	900,000	0
Excess of Revenues Over (Under) Expenditures	(900,000)	(900,000)	0
Other Financing Sources:			
Proceeds from Sale of Bonds	1,200,000	1,200,000	0
Proceeds from Sale of Notes	400,000	400,000	0
Total Other Financing Sources	1,600,000	1,600,000	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	700,000	700,000	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$700,000	\$700,000	\$0

KETTERING CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL  
 REPLACEMENT FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Interest	\$5,000	\$6,641	\$1,641
Total Revenues	5,000	6,641	1,641
Expenditures:			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	10,000	8,399	1,601
Total Operation and Maintenance of Plant	10,000	8,399	1,601
Total Support Services	10,000	8,399	1,601
Total Expenditures:	10,000	8,399	1,601
Excess of Revenues Over (Under) Expenditures	(5,000)	(1,758)	3,242
Fund Balance at Beginning of Year	103,346	103,346	0
Prior Year Encumbrances Appropriated	450	450	0
Fund Balance at End of Year	\$98,796	\$102,038	\$3,242

KETTERING CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL  
 VOCATIONAL EQUIPMENT FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$22,519	\$22,519	\$0
Total Revenues	<u>22,519</u>	<u>22,519</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Vocational:			
Capital Outlay	22,519	22,519	0
Total Vocational	<u>22,519</u>	<u>22,519</u>	<u>0</u>
Total Instruction	<u>22,519</u>	<u>22,519</u>	<u>0</u>
Total Expenditures	<u>22,519</u>	<u>22,519</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>



KETTERING CITY SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL  
 SCHOOLNET PLUS FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Intergovernmental	\$0	\$6,000	\$6,000
Total Revenues	0	6,000	6,000
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and Materials	273	273	0
Capital Outlay	105,648	105,648	0
Total Regular	105,921	105,921	0
Total Instruction	105,921	105,921	0
Total Expenditures	105,921	105,921	0
Excess of Revenues Over (Under) Expenditures	(105,921)	(99,921)	6,000
Fund Balance at Beginning of Year	105,921	105,921	0
Fund Balance at End of Year	\$0	\$6,000	\$6,000

KETTERING CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES-BUDGET (NON-GAAP  
BASIS) AND ACTUAL - ALL CAPITAL PROJECTS FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Revised Budget	Actual	Over/Under
Revenues:			
Taxes	\$672,815	\$685,048	\$12,233
Interest	38,852	52,467	13,615
Intergovernmental	93,019	104,708	11,689
Miscellaneous	3,000	3,000	0
Total Revenues	807,686	845,223	37,537
Expenditures:			
Current:			
Instruction:			
Regular:			
Supplies and Materials	273	273	0
Capital Outlay	506,661	506,661	0
Total Regular	506,934	506,934	0
Vocational:			
Capital Outlay	22,519	22,519	0
Total Vocational	22,519	22,519	0
Total Instruction	529,453	529,453	0
Support Services:			
Fiscal:			
Miscellaneous	13,000	9,876	3,124
Total Fiscal	13,000	9,876	3,124
Operation and Maintenance of Plant:			
Purchased Services	993,405	874,710	118,695
Supplies and Materials	3,506	3,406	100
Capital Outlay	58,448	56,530	1,918
Total Operation and Maintenance of Plant	1,055,359	934,646	120,713
Transportation:			
Capital Outlay	56,876	53,975	2,901
Total Transportation	56,876	53,975	2,901
Total Support Services	1,125,235	998,497	126,738
Facilities Acquisition and Construction Services:			
Architecture and Engineering Services:			
Purchased Services	498,987	498,987	0
Capital Outlay	156,900	156,900	0
Total Facilities Acquisition and Construction Services	655,887	655,887	0
Total Expenditures	2,310,575	2,183,837	126,738
Excess of Revenues Over (Under) Expenditures	(1,502,889)	(1,338,614)	164,275
Other Financing Sources:			
Proceeds from Sale of Bonds	1,200,000	1,200,000	0
Proceeds from Sale of Notes	400,000	400,000	0
Transfers-In	0	202,000	202,000
Total Other Financing Sources	1,600,000	1,802,000	202,000
Excess of Revenue and Other Financing Sources Over (Under) Expenditures	97,111	463,386	366,275
Fund Balances at Beginning of Year	796,288	796,288	0
Prior Year Encumbrances Appropriated	492,318	492,318	0
Fund Balances at End of Year	\$1,385,717	\$1,751,992	\$366,275

## ENTERPRISE FUNDS

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

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### Food Service Fund

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

### Uniform School Supplies Fund

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

### Rotary Special Services Fund

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

### Special Enterprise Funds

To account for the financial transactions related to the child care program called “morning and afternoon supervision program”

KETTERING CITY SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 ALL ENTERPRISE FUNDS  
 JUNE 30, 2001

	Food Service	Uniform School Supplies	Rotary Special Services	Special Enterprise	Totals
<b>Assets:</b>					
<b>Current Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$470,574	\$136,600	\$10,328	\$44,046	\$661,548
<b>Receivables:</b>					
Accounts	47	0	0	0	47
Intergovernmental	61,480	0	0	0	61,480
Inventory for Resale	36,450	0	0	0	36,450
<b>Total Current Assets</b>	<b>568,551</b>	<b>136,600</b>	<b>10,328</b>	<b>44,046</b>	<b>759,525</b>
<b>Non-Current Assets:</b>					
Fixed Assets (net, where applicable, of Accumulated Depreciation)	149,401	0	0	0	149,401
<b>Total Non-Current Assets</b>	<b>149,401</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>149,401</b>
<b>Total Assets</b>	<b>\$717,952</b>	<b>\$136,600</b>	<b>\$10,328</b>	<b>\$44,046</b>	<b>\$908,926</b>
<b>Liabilities:</b>					
Accounts Payable	115	735	1,549	102	2,501
Accrued Wages	84,318	0	0	15,259	99,577
Compensated Absences	55,326	0	0	0	55,326
Intergovernmental Payable	37,023	0	0	5,114	42,137
Deferred Revenue	36,450	0	0	0	36,450
<b>Total Liabilities</b>	<b>213,232</b>	<b>735</b>	<b>1,549</b>	<b>20,475</b>	<b>235,991</b>
<b>Fund Equity:</b>					
Retained Earnings	383,333	135,865	8,779	23,571	551,548
Contributed Capital	121,387	0	0	0	121,387
<b>Total Fund Equity</b>	<b>504,720</b>	<b>135,865</b>	<b>8,779</b>	<b>23,571</b>	<b>672,935</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$717,952</b>	<b>\$136,600</b>	<b>\$10,328</b>	<b>\$44,046</b>	<b>\$908,926</b>

KETTERING CITY SCHOOL DISTRICT  
 COMBINING STATEMENTS OF REVENUES,  
 EXPENSES AND CHANGES IN FUND EQUITY  
 ALL ENTERPRSE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Food Service	Uniform School Supplies	Rotary Special Services	Special Enterprise	Totals
Operating Revenues:					
Sales	\$1,453,596	\$39,967	\$9,527	\$0	\$1,503,090
Tuition and Fees	0	191,802	10,777	138,587	341,166
Miscellaneous	968	0	0	0	968
<b>Total Operating Revenues</b>	<b>1,454,564</b>	<b>231,769</b>	<b>20,304</b>	<b>138,587</b>	<b>1,845,224</b>
Operating Expenses:					
Salaries	624,743	0	0	82,627	707,370
Fringe Benefits	250,932	0	0	25,092	276,024
Purchased Services	60,695	0	0	0	60,695
Supplies and Materials	98,235	66,539	0	12,255	177,029
Cost of Sales	864,303	56,931	18,851	0	940,085
Other Operating Expenses	7,036	600	0	0	7,636
Depreciation	21,907	0	0	0	21,907
<b>Total Operating Expenses</b>	<b>1,927,851</b>	<b>124,070</b>	<b>18,851</b>	<b>119,974</b>	<b>2,190,746</b>
<b>Operating Income (Loss)</b>	<b>(473,287)</b>	<b>107,699</b>	<b>1,453</b>	<b>18,613</b>	<b>(345,522)</b>
Non-Operating Revenues (Expenses):					
Federal Donated Commodities	113,797	0	0	0	113,797
Intergovernmental	447,771	0	0	0	447,771
Interest	16,580	0	0	0	16,580
Loss on Disposal of Fixed Assets	(4,513)	0	0	0	(4,513)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>573,635</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>573,635</b>
<b>Net Income</b>	<b>100,348</b>	<b>107,699</b>	<b>1,453</b>	<b>18,613</b>	<b>228,113</b>
Retained Earnings at Beginning of Year of Year - See Note 3	282,985	28,166	7,326	4,958	323,435
<b>Retained Earnings at End of Year</b>	<b>383,333</b>	<b>135,865</b>	<b>8,779</b>	<b>23,571</b>	<b>551,548</b>
<b>Contributed Capital at End of Year</b>	<b>121,387</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>121,387</b>
<b>Total Fund Equity at End of Year</b>	<b>\$504,720</b>	<b>\$135,865</b>	<b>\$8,779</b>	<b>\$23,571</b>	<b>\$672,935</b>

KETERING CITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF CASH FLOWS  
 ALL ENTERPRISE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Food Service	Uniform School Supplies	Rotary Special Services	Special Enterprise	Totals
Cash Flows from Operating Activities:					
Cash Received from Customers and Users	\$1,457,260	\$232,496	\$20,304	\$138,587	\$1,848,647
Cash Paid to Employees for Services and Benefits	(874,167)	0	0	(90,203)	(964,370)
Cash Paid to Suppliers for Goods and Services	(924,062)	(123,334)	(17,389)	(12,153)	(1,076,938)
Net Cash Provided (Used) by Operating Activities	(340,969)	109,162	2,915	36,231	(192,661)
Cash Flows from Investing Activities:					
Earnings on Investments	18,120	0	0	0	18,120
Net Cash Provided by Investing Activities	18,120	0	0	0	18,120
Cash Flows from Noncapital Financing Activities:					
Operating Grants Received	453,508	0	0	0	453,508
Net Cash Provided by Noncapital Financing Activities	453,508	0	0	0	453,508
Cash Flows from Capital and Related Financing Activities:					
Payments for Capital Acquisitions	(25,258)	0	0	0	(25,258)
Net Cash Used for Capital and Related Financing Activities	(25,258)	0	0	0	(25,258)
Net Increase in Cash	105,401	109,162	2,915	36,231	253,709
Cash and Cash Equivalents at Beginning of Year	365,173	27,438	7,413	7,815	407,839
Cash and Cash Equivalents at End of Year	\$470,574	\$136,600	\$10,328	\$44,046	\$661,548

(Continued)

KETTERING CITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF CASH FLOWS  
 ALL ENTERPRISE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001  
 (Continued)

	Food Service	Uniform School Supplies	Rotary Special Services	Special Enterprise	Totals
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for ) Operating Activities:</u>					
Operating Income (Loss)	(\$473,287)	\$107,699	\$1,453	\$18,613	(\$345,522)
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>					
Depreciation	21,907	0	0	0	21,907
Donated Commodities Received During the Y	113,797	0	0	0	113,797
Changes in Assets and Liabilities:					
Decrease in Accounts Receivable	2,696	728	0	0	3,424
Decrease in Inventory Held for Resale	4,073	0	0	0	4,073
Increase/(Decrease) in Accounts Payable	(7,590)	735	1,462	102	(5,291)
Increase/(Decrease) in Accrued Wages	(8,825)	0	0	13,911	5,086
Increase in Intergovernmental Payable	2,981	0	0	3,605	6,586
Increase in Compensated Absences	7,352	0	0	0	7,352
(Decrease) in Deferred Revenue	(4,073)	0	0	0	(4,073)
Total Adjustments	132,318	1,463	1,462	17,618	152,861
Net Cash Provided by (Used for) Operating Activities	(340,969)	109,162	2,915	36,231	(192,661)

Non-cash Investing, Capital and Financing Activities:

During the year, the Food Service Enterprise Fund used materials and supplies inventory valued at \$113,797. This inventory was donated to the District and no cash payments were made to acquire the inventory. An expense for this usage was included in the Operating Loss of the fund and therefore, Donated Commodities must be recognized as an adjustment to reconcile to Net Cash Used for Operating Activities.

## INTERNAL SERVICE FUND

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

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### Employee Benefits Self-Insurance Fund

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

### Computer Network Fund

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

### Dental Insurance Fund

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



KETTERING CITY SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 ALL INTERNAL SERVICE FUNDS  
 JUNE 30, 2001

	Employee Benefits Self-Insurance	Computer Network	Dental Insurance	Totals
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$77,545	\$795	\$421,983	\$500,323
Interest Receivable	58	0	0	58
<b>Total Assets</b>	<b>\$77,603</b>	<b>\$795</b>	<b>\$421,983</b>	<b>\$500,381</b>
<b>Liabilities:</b>				
Claims Payable	33,397	0	143,530	176,927
<b>Total Liabilities</b>	<b>33,397</b>	<b>0</b>	<b>143,530</b>	<b>176,927</b>
<b>Fund Equity:</b>				
Retained Earnings	44,206	795	278,453	323,454
<b>Total Fund Equity</b>	<b>44,206</b>	<b>795</b>	<b>278,453</b>	<b>323,454</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$77,603</b>	<b>\$795</b>	<b>\$421,983</b>	<b>\$500,381</b>

**KETTERING CITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES,  
 EXPENSES AND CHANGES IN FUND EQUITY  
 ALL INTERNAL SERVICE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Employee Benefits Self-Insurance	Computer Network	Dental Insurance	Totals
<b>Operating Revenues:</b>				
Charges for Services	\$169,676	\$0	\$582,148	\$751,824
<b>Total Operating Revenues</b>	<b>169,676</b>	<b>0</b>	<b>582,148</b>	<b>751,824</b>
<b>Operating Expenses:</b>				
Fringe Benefits	163,994	0	0	163,994
Purchased Services	0	0	580,002	580,002
<b>Total Operating Expenses</b>	<b>163,994</b>	<b>0</b>	<b>580,002</b>	<b>743,996</b>
<b>Operating Income</b>	<b>5,682</b>	<b>0</b>	<b>2,146</b>	<b>7,828</b>
<b>Non-Operating Revenues:</b>				
Interest	894	0	20,157	21,051
<b>Total Non-Operating Revenues</b>	<b>894</b>	<b>0</b>	<b>20,157</b>	<b>21,051</b>
<b>Net Income</b>	<b>6,576</b>	<b>0</b>	<b>22,303</b>	<b>28,879</b>
<b>Retained Earnings at Beginning of Year</b>	<b>37,630</b>	<b>795</b>	<b>256,150</b>	<b>294,575</b>
<b>Retained Earnings at End of Year</b>	<b>44,206</b>	<b>795</b>	<b>278,453</b>	<b>323,454</b>

KETTERING CITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF CASH FLOWS  
 ALL INTERNAL SERVICE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Employee Benefits Self-Insurance	Computer Network	Dental Insurance	Totals
Increase (Decrease) in Cash and Cash Equivalents:				
Cash Flows from Operating Activities:				
Cash Received from Customers and Users	\$169,676	\$0	\$582,148	\$751,824
Cash Payments for Claims	(164,454)	0	(576,507)	(740,961)
Net Cash Provided (Used) by Operating Activities	5,222	0	5,641	10,863
Cash Flows from Investing Activities:				
Earnings on Investments	836	0	20,157	20,993
Net Cash Provided by Investing Activities	836	0	20,157	20,993
Net Increase in Cash	6,058	0	25,798	31,856
Cash and Cash Equivalents at Beginning of Year	71,487	795	396,185	468,467
Cash and Cash Equivalents at End of Year	\$77,545	\$795	\$421,983	\$500,323
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:				
Operating Income	5,682	0	2,146	7,828
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:				
Increase/(Decrease) in Claims Payable	(460)	0	3,495	3,035
Total Adjustments	(460)	0	3,495	3,035
Net Cash Provided by (Used for) Operating Activities	\$5,222	\$0	\$5,641	\$10,863

## FIDUCIARY FUND TYPES

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Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include expendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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### Expendable Trust Fund

#### Special Trust Funds

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

### Non-Expendable Trust Fund

#### Charles Craig Memorial Fund

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

### Agency Funds

#### Student Managed Activities Fund

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

KETTERING CITY SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 TRUST AND AGENCY FUNDS  
 JUNE 30, 2001

	Expendable Trust	Non- Expendable Trust	Agency Student Managed Activities	Totals
	Special Trust	Charles Craig Memorial		
Assets:				
Equity in pooled Cash and Cash Equivalents	\$81,414	\$947	\$94,614	\$176,975
Restricted Assets:				
Cash and Cash Equivalents	0	10,000	0	10,000
Total Assets	<u>\$81,414</u>	<u>\$10,947</u>	<u>\$94,614</u>	<u>\$186,975</u>
Liabilities:				
Accounts Payable	270	0	18,055	18,325
Due to Students	0	0	76,559	76,559
Total Liabilities	<u>270</u>	<u>0</u>	<u>94,614</u>	<u>94,884</u>
Fund Equity:				
Fund Balance:				
Reserved for Encumbrances	282	0	0	282
Reserved for Charles Craig Memorial	0	10,000	0	10,000
Unreserved	80,862	947	0	81,809
Total Fund Equity	<u>81,144</u>	<u>10,947</u>	<u>0</u>	<u>92,091</u>
Total Liabilities and Fund Equity	<u>\$81,414</u>	<u>\$10,947</u>	<u>\$94,614</u>	<u>\$186,975</u>

KETTERING CITY SCHOOL DISTRICT  
STATEMENT OF CHANGES IN ASSETS  
AND LIABILITIES  
STUDENT MANAGED ACTIVITIES AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Balance July 1, 2000	Additions	Deductions	Balance June 30, 2001
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$84,161	\$181,666	\$171,213	\$94,614
Total Assets	<u>\$84,161</u>	<u>\$181,666</u>	<u>\$171,213</u>	<u>\$94,614</u>
Liabilities:				
Accounts Payable	6,160	18,055	6,160	18,055
Intergovernmental Payable	78,001	76,559	78,001	76,559
Total Liabilities	<u>\$84,161</u>	<u>\$94,614</u>	<u>\$84,161</u>	<u>\$94,614</u>

## GENERAL FIXED ASSETS ACCOUNT GROUP

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

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**KETTERING CITY SCHOOL DISTRICT  
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE  
AS OF JUNE 30, 2001**

<b>General Fixed Assets:</b>	
Land	\$466,616
Buildings and Building Improvements	31,578,194
Furniture, Fixtures and Equipment	8,809,826
	<hr/>
<b>Total General Fixed Assets</b>	<b><u><u>\$40,854,636</u></u></b>

<b>Investment in General Fixed Assets by Source:</b>	
General Fund	3,602,681
Special Revenue Funds	1,021,388
Capital Projects Funds	18,790,701
Acquired Before July 1, 1991 *	17,439,866
	<hr/>
<b>Total Investment in General Fixed Assets</b>	<b><u><u>\$40,854,636</u></u></b>

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



KETTERING CITY SCHOOL DISTRICT  
SCHEDULE OF GENERAL FIXED ASSETS  
BY FUNCTION AND TYPE  
AS OF JUNE 30, 2001

Function	Land and Land Improvements	Buildings and Building Improvements	Furniture Fixture and Equipment	Total
<b>Instruction:</b>				
Regular	\$458,616	\$16,794,580	\$3,389,166	\$20,642,362
Special	0	0	207,978	207,978
Vocational	0	0	454,572	454,572
<b>Support Services:</b>				
Pupil			72,758	72,758
Instructional Staff	0	0	269,598	269,598
Administration	8,000	205,000	297,751	510,751
Fiscal Services	0	0	65,903	65,903
Business	0	0	504,112	504,112
Operation and Maintenance of Plant	0	0	385,291	385,291
Pupil Transportation	0	0	1,411,851	1,411,851
Central	0	0	513,230	513,230
Extracurricular Activities	0	0	21,206	21,206
Non-Instructional Services	0	0	277,982	277,982
Facilities Acquisitions and Constructions	0	14,578,614	938,428	15,517,042
<b>Total General Fixed Assets</b>	<b>\$466,616</b>	<b>\$31,578,194</b>	<b>\$8,809,826</b>	<b>\$40,854,636</b>

KETTERING CITY SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN GENERAL  
FIXED ASSETS BY FUNCTION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

Function	Balance at July 1, 2000	Additions	Deductions	Balance at June 30, 2001
<b>Instruction:</b>				
Regular	\$20,464,607	\$314,580	\$136,825	\$20,642,362
Special	207,978	0	0	207,978
Vocational	454,572	0	0	454,572
<b>Support Services:</b>				
Pupil	72,758	0	0	72,758
Instructional staff	269,598	0	0	269,598
Administration	510,751	0	0	510,751
Fiscal Services	65,903	0	0	65,903
Business	366,094	138,018	0	504,112
Operation and Maintenance of Plant	360,374	24,917	0	385,291
Pupil Transportation	1,335,728	161,775	85,652	1,411,851
Central	513,230	0	0	513,230
Extracurricular Activities	21,206	0	0	21,206
Non-Instructional Services	277,982	0	0	277,982
Facilities Acquisitions and Constructions	15,517,042	0	0	15,517,042
Other-Pre July 1, 1991 Items *	12,000	0	12,000	0
<b>Total General Fixed Assets</b>	<b>\$40,449,823</b>	<b>\$639,290</b>	<b>\$234,477</b>	<b>\$40,854,636</b>

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

# STATISTICAL SECTION

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KETTERING CITY SCHOOL DISTRICT

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## STATISTICAL TABLES

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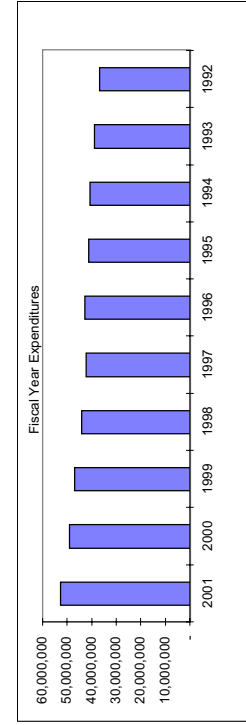
The following unaudited statistical tables reflect social and economic data, financial trends and fiscal capacity of the District.

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TABLE 1

KETTERING CITY SCHOOL DISTRICT, OHIO  
 GENERAL FUND EXPENDITURES BY FUNCTION  
 LAST TEN FISCAL YEARS (1)  
 1992-2001

	2001 Fiscal	2000 Fiscal	1999 Fiscal	1998 Fiscal	1997 Fiscal	1996 Fiscal	1995 Fiscal	1994 Fiscal	1993 Fiscal	1992 Fiscal
Instruction	\$30,263,928	\$28,068,880	\$27,701,029	\$25,873,143	\$24,781,696	\$24,761,092	\$24,149,420	\$23,611,953	\$23,452,715	\$21,679,652
Pupil Support	3,689,028	3,367,631	3,339,089	3,171,244	3,081,770	3,140,318	3,005,286	2,844,239	2,621,846	2,510,932
Instructional Staff Support	2,258,215	2,004,574	1,799,145	1,661,116	1,473,362	1,547,427	1,510,360	1,482,578	1,362,338	1,276,274
Board of Education	48,890	41,882	64,039	55,101	40,665	53,010	47,247	39,769	34,283	40,950
Administration	4,426,041	4,189,610	3,462,423	3,438,046	3,147,860	3,478,666	3,167,268	3,231,564	2,935,631	3,044,628
Fiscal Services	1,255,064	1,147,099	990,188	797,455	827,174	591,246	1,083,407	925,837	842,042	887,026
Business	704,132	744,856	750,168	549,380	756,728	560,836	637,721	578,399	435,743	383,486
Plant Operations	5,481,783	5,301,331	5,103,205	5,032,322	4,769,614	5,016,837	4,692,348	5,066,232	4,341,451	4,129,192
Pupil Transportation	2,059,335	1,805,751	1,691,214	1,807,120	1,638,472	1,542,442	1,560,123	1,691,888	1,640,208	1,552,578
Central	869,380	685,341	490,522	551,731	443,983	383,990	411,371	485,725	399,179	448,287
Non-Instructional Services	1,283	1,507	1,827	1,041	1,243	1,270	1,013	1,145	1,424	1,664
Extracurricular Activities	928,070	865,333	847,790	800,792	730,494	698,747	725,308	689,133	717,657	725,958
Capital Outlay	43,869	83,403	42,210	55,552	50,815	631,991	32,121	28,054	35,556	33,748
Debt Service	372,353	151,423	150,183	147,527	150,183	45,511	23,123	0	0	0
Other Financing Uses	210,000	456,125	501,982	210,801	306,119	279,917	51,761	0	0	0
<b>Total Expenditures and Other Financing Uses</b>	<b>\$52,611,371</b>	<b>\$48,914,746</b>	<b>\$46,935,014</b>	<b>\$44,152,371</b>	<b>\$42,200,178</b>	<b>\$42,733,300</b>	<b>\$41,097,877</b>	<b>\$40,676,516</b>	<b>\$38,820,073</b>	<b>\$36,714,275</b>



Source: Kettering City School District Financial Records

(1) All fiscal years reported on a GAAP basis.

TABLE 2

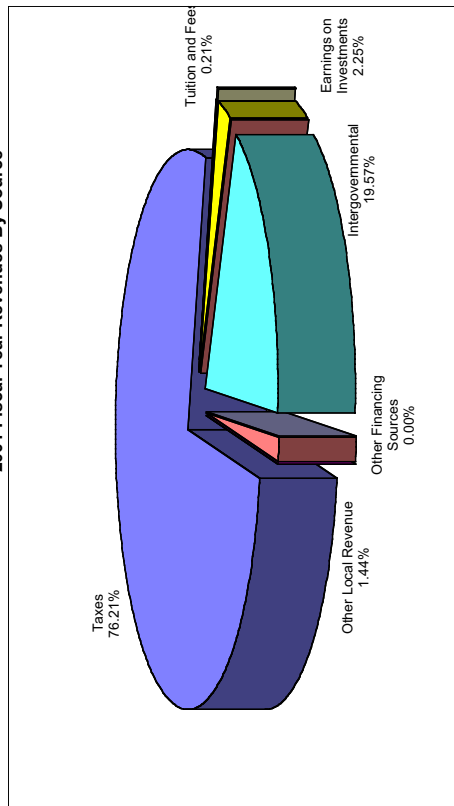
KETTERING CITY SCHOOL DISTRICT, OHIO  
 GENERAL FUND REVENUES BY SOURCE  
 LAST TEN FISCAL YEARS (1)  
 1992-2001

	2001 Fiscal	2000 Fiscal	1999 Fiscal	1998 Fiscal	1997 Fiscal	1996 Fiscal	1995 Fiscal	1994 Fiscal	1993 Fiscal	1992 Fiscal
Taxes	\$43,400,486	\$38,407,084	\$37,044,947	\$36,393,675	\$35,217,070	\$32,558,028	\$30,251,651	\$31,292,741	\$29,460,020	\$32,718,847
Tuition and Fees	118,187	146,437	119,823	43,674	35,829	35,334	38,123	35,346	50,053	58,245
Earnings on Investments	1,534,530	1,241,325	1,068,868	1,056,544	812,702	699,862	659,613	449,580	439,610	534,681
Intergovernmental	11,147,663	10,214,285	9,895,652	8,895,297	8,667,382	8,157,609	7,939,529	7,850,050	7,891,324	7,537,800
Other Local Revenues	746,884	422,332	701,472	562,949	354,710	657,106	440,799	294,395	358,525	234,164
Other Financing Sources	1,537	5,523	3,284	11,700	39,800	0	0	0	0	0
<b>Total Revenues and Other Financing Sources</b>	<b>\$56,949,287</b>	<b>\$50,436,986</b>	<b>\$48,834,046</b>	<b>\$46,963,839</b>	<b>\$45,127,493</b>	<b>\$42,107,939</b>	<b>\$39,329,715</b>	<b>\$39,922,112</b>	<b>\$38,199,532</b>	<b>\$41,083,737</b>

Source: Kettering City School District Financial Records

(1) All fiscal years reported on a GAAP basis.

2001 Fiscal Year Revenues By Source



KETTERING CITY SCHOOL DISTRICT, OHIO  
 PROPERTY TAX LEVIES AND COLLECTIONS - REAL, PERSONAL, AND PUBLIC UTILITY PROPERTY  
 LAST TEN COLLECTION (CALENDAR) YEARS  
 1992-2001

Collection Year	Tax Levied (1)	Current Tax Collections (2)	Percent Collected	Delinquent Collection	Total Tax Collections (2)	Percent of Total Collections To Levy	Outstanding Delinquent Taxes (3)	Percent of Outstanding Delinquent Taxes To Tax Levied
2001	\$50,386,264	\$47,960,477	95.19%	\$1,185,137	\$49,145,584	97.54%	\$1,388,513	2.76%
2000	\$44,879,638	\$44,381,401	98.89%	\$1,061,019	\$45,442,420	101.25%	\$2,103,823	4.60%
1999	\$43,746,765	\$42,478,593	97.10%	\$1,144,286	\$43,622,879	99.72%	\$1,713,996	3.92%
1998	\$41,284,309	\$42,023,033	101.79%	\$1,150,888	\$43,173,921	104.58%	\$1,686,924	4.09%
1997	\$40,843,160	\$39,539,747	96.81%	\$1,688,788	\$41,228,535	100.94%	\$1,599,255	3.92%
1996	\$39,719,917	\$39,299,492	98.94%	\$823,389	\$40,122,881	101.01%	\$2,929,414	7.38%
1995	\$35,981,853	\$35,420,771	98.44%	\$844,373	\$36,265,144	100.79%	\$2,885,789	8.02%
1994	\$35,468,975	\$35,344,584	99.65%	\$1,154,490	\$36,099,074	101.78%	\$3,171,797	8.94%
1993	\$33,079,669	\$33,418,861	101.03%	\$1,041,920	\$34,460,781	104.18%	\$3,660,740	11.07%
1992	\$33,776,898	\$33,368,707	98.79%	\$1,817,090	\$35,185,797	104.17%	\$3,488,380	10.33%

Source: Montgomery County Auditor.

- (1) Taxes levied and collected are presented on a cash basis.
- (2) State reimbursements of rollback and homestead exemptions are included; December 2000 settlement estimate included.
- (3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

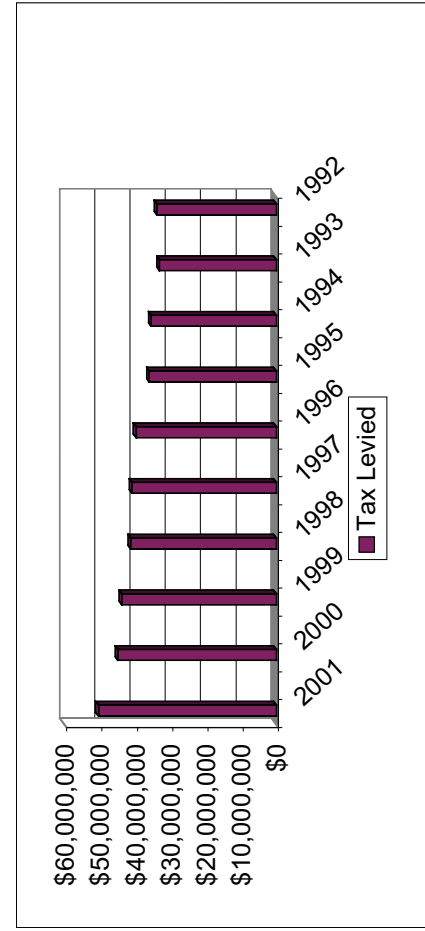
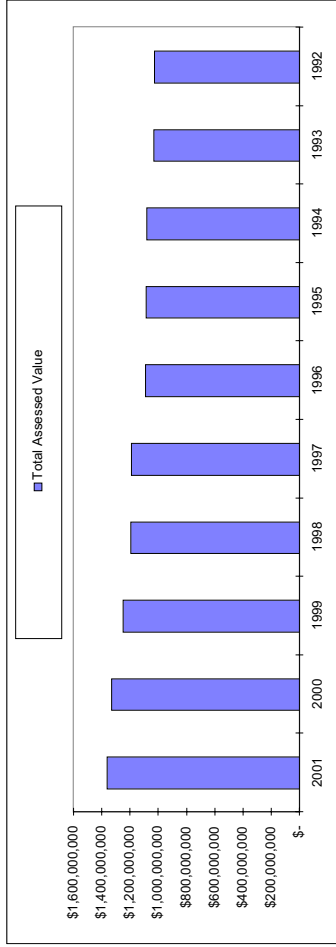




TABLE 4  
 KETTERING CITY SCHOOL DISTRICT, OHIO  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN YEARS  
 1992-2001

Tax Collection Year	Agricultural, and Residential Real Estate		Commercial, Industrial, and Public Utility Real Estate (1)		Tangible Personal (2)		Public Utility Tangible Personal		Total		Assessed Value Ratio (3)
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2001	\$ 752,773,880	\$ 2,150,782,514	\$ 309,558,200	\$ 884,452,000	\$ 188,035,293	\$ 752,141,172	\$ 109,567,330	\$ 124,508,330	\$ 1,359,934,703	\$ 3,911,884,016	35%
2000	\$ 752,893,620	\$ 2,151,124,629	\$ 303,357,940	\$ 866,736,971	\$ 181,081,808	\$ 724,327,232	\$ 88,732,220	\$ 100,832,068	\$ 1,326,065,588	\$ 3,843,020,900	35%
1999	\$ 698,042,250	\$ 1,994,406,429	\$ 280,765,230	\$ 802,186,371	\$ 185,801,525	\$ 743,206,100	\$ 82,582,490	\$ 93,843,739	\$ 1,247,191,495	\$ 3,633,642,639	34%
1998	\$ 695,332,700	\$ 1,986,664,857	\$ 266,738,510	\$ 762,110,029	\$ 152,139,878	\$ 608,559,512	\$ 78,310,660	\$ 88,989,386	\$ 1,192,521,748	\$ 3,446,323,784	35%
1997	\$ 691,790,430	\$ 1,976,544,086	\$ 268,455,100	\$ 767,014,571	\$ 160,415,784	\$ 641,663,136	\$ 68,122,700	\$ 77,412,159	\$ 1,188,784,014	\$ 3,462,633,952	34%
1996	\$ 618,432,810	\$ 1,766,950,886	\$ 254,496,350	\$ 727,132,429	\$ 155,505,072	\$ 622,020,288	\$ 59,239,660	\$ 67,317,795	\$ 1,087,673,892	\$ 3,183,421,398	34%
1995	\$ 617,056,940	\$ 1,763,019,829	\$ 252,017,690	\$ 720,050,543	\$ 153,873,867	\$ 615,495,468	\$ 61,652,470	\$ 70,059,625	\$ 1,084,600,967	\$ 3,168,625,464	34%
1994	\$ 616,548,630	\$ 1,761,567,514	\$ 254,794,270	\$ 727,983,629	\$ 146,219,296	\$ 584,877,184	\$ 60,018,580	\$ 68,202,932	\$ 1,077,580,776	\$ 3,142,631,259	34%
1993	\$ 577,099,540	\$ 1,648,855,829	\$ 240,499,980	\$ 687,142,800	\$ 149,196,506	\$ 596,786,024	\$ 60,184,610	\$ 68,391,602	\$ 1,026,980,636	\$ 3,001,176,255	34%
1992	\$ 575,073,660	\$ 1,643,067,600	\$ 236,539,160	\$ 675,826,171	\$ 154,878,161	\$ 595,685,235	\$ 57,947,440	\$ 65,849,364	\$ 1,024,438,421	\$ 2,980,428,370	34%



Source: Montgomery County Auditor.

(1) Includes Public Utility Real Property.

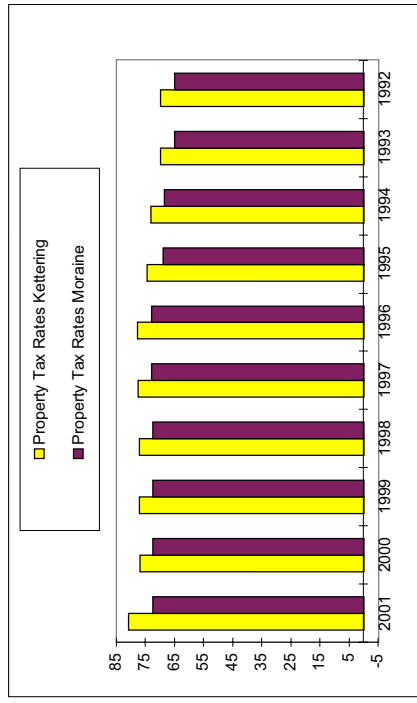
(2) Includes Personal Property \$10,000 exemption.

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

TABLE 5

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

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Montgomery County	17.24	16.64	16.64	16.64	16.64	16.64	16.64	16.14	13.65	13.65
Dayton/Montgomery County Library	0.26	0.26	0.26	0.26	0.72	0.72	0.72	0.00	0.00	0.00
City of Kettering	6.92	6.92	6.98	7.00	7.00	7.17	7.17	7.17	7.17	7.25
Kettering City School District	56.30	53.10	53.10	53.10	53.10	53.10	49.80	49.81	48.90	48.90
Total for City of Kettering Residents	80.72	76.92	76.98	77.00	77.46	77.63	74.33	73.12	69.72	69.80
City of Moraine	2.50	2.50	2.5	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Total for City of Moraine Residents	72.50	72.50	72.5	72.50	72.96	72.96	68.94	68.45	65.05	65.05



Source: Montgomery County Auditor.

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

TABLE 6

KETTERING CITY SCHOOL DISTRICT, OHIO  
 RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE  
 AND NET BONDED DEBT PER CAPITA  
 LAST TEN YEARS  
 1992-2001

Collection Year	Population (1)	Total Assessed Value (2)	Gross Bonded Debt (3)	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
2001	61,940	\$1,359,934,703	\$15,935,000	\$809,347	\$15,125,653	1.12%	244
2000	61,940	\$1,326,065,588	\$15,270,240	\$978,825	\$14,291,415	1.08%	231
1999	62,371	\$1,247,191,496	\$15,852,278	\$839,979	\$15,012,299	1.20%	241
1998	62,352	\$1,192,521,748	\$16,444,056	\$763,086	\$15,680,970	1.31%	251
1997	62,250	\$1,188,784,014	\$15,224,732	\$653,286	\$14,571,446	1.23%	234
1996	62,190	\$1,087,673,892	\$15,612,144	\$615,901	\$14,996,243	1.38%	241
1995	61,862	\$1,084,600,967	\$15,007,989	\$714,318	\$14,293,671	1.32%	231
1994	61,600	\$1,077,580,776	\$14,775,000	\$589,534	\$14,185,466	1.32%	230
1993	61,405	\$1,026,980,636	\$0	\$0	\$0	0.00%	0
1992	61,671	\$1,024,438,421	\$0	\$0	\$0	0.00%	0

## Sources:

- (1) Census data for 1990, estimates from the Cities of Kettering and Moraine.
- (2) Montgomery County Auditor, calendar year basis.
- (3) Fiscal Year 1992 is the first year reported on a GAAP basis.

KETTERING CITY SCHOOL DISTRICT, OHIO  
COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30, 2001

TABLE 7

Assessed Valuation of District \$1,359,934,703

Overall Direct Debt Limitation

Direct debt limitation  
9% of assessed valuation \$122,394,123  
Amount available in Debt Service Fund 809,347  
Gross indebtedness 15,935,000  
Less: Debt exempt from limitation (2,355,000)

Debt subject to 9% limitation (13,580,000)  
Legal debt margin with 9% limitation \$109,623,470

Unvoted Direct Debt Limitation

Unvoted debt limitation  
0.1% of assessed valuation \$1,359,935  
Amount available in Debt Service Fund related to unvoted debt 0

Gross indebtedness authorized by the Board 15,935,000  
Less: Debt exemption from limitation (15,935,000)

Debt subject to 0.1% limitation 0

Legal debt margin within 0.1% limitation \$1,359,935

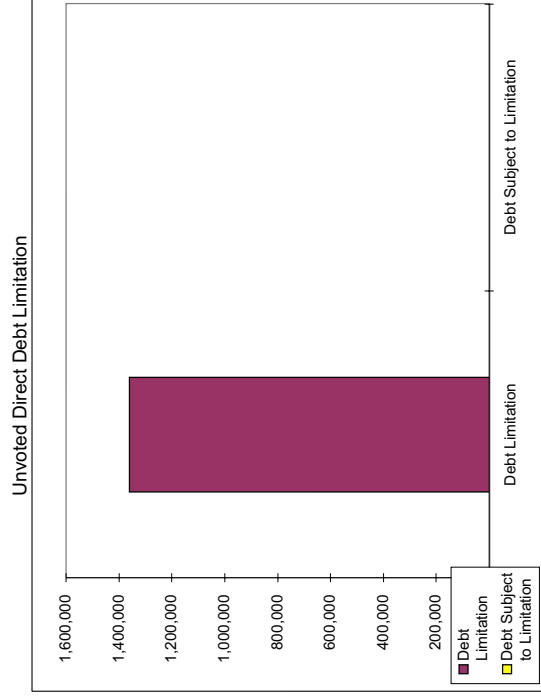
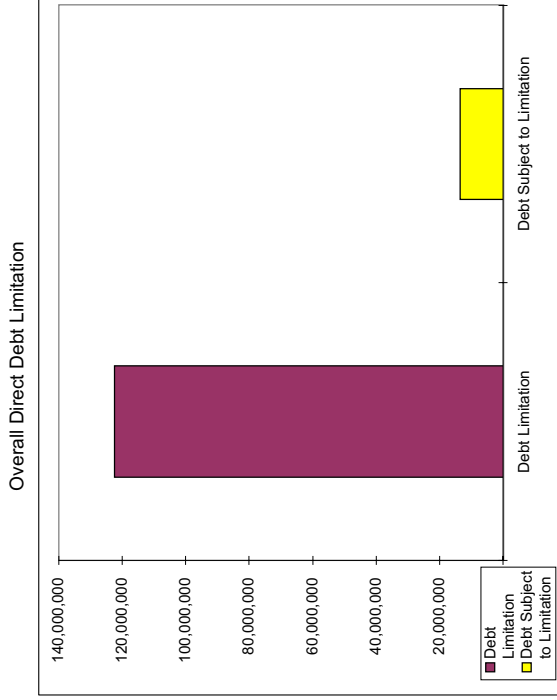
Energy Conservation Bond Limitation

Ohio Revised Code Section 133.042

Debt Limitation  
0.9% of assessed valuation \$12,239,412  
Energy Conservation Bonds Authorized by the Board (2,340,000)

Energy conservation notes authorized by the Board (15,000)

Legal debt margin within 0.9% limitation \$9,884,412



Source: Kettering City School District records.

KETTERING CITY SCHOOL DISTRICT, OHIO  
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
 June 30, 2001

TABLE 8

Governmental Unit	Gross General Obligation	Percent Applicable to District	Amount Applicable to District
Direct:			
Kettering City School District	\$15,935,000	100.00%	\$15,935,000
Overlapping:			
Montgomery County	43,268,553	14.66%	6,343,170
City of Kettering	8,997,168	82.21%	7,396,572
City of Moraine	0	17.79%	0
Total overlapping:	52,265,721		13,739,742
Total direct and overlapping debt:	\$68,200,721		\$29,674,742

Source: Montgomery County Auditor.

OVERLAPPING DEBT APPLICABLE TO DISTRICT

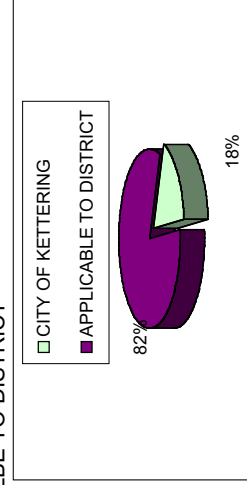
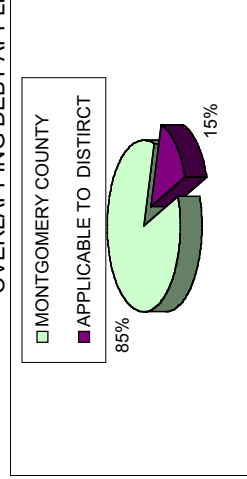


TABLE 9

KETTERING CITY SCHOOL DISTRICT, OHIO  
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
 FOR GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES  
 LAST TEN FISCAL YEARS (1)  
 1992-2001

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures and Other Financing Uses	Ratio of Debt Service to General Fund Expenditures (%)
2001	\$520,240	\$828,768	\$1,349,008	\$52,611,371	2.57%
2000	\$612,038	\$856,056	\$1,468,094	\$48,914,746	3.00%
1999	\$591,778	\$885,977	\$1,477,755	\$46,935,014	3.15%
1998	\$403,176	\$824,195	\$1,227,371	\$44,152,371	2.78%
1997	\$387,442	\$841,503	\$1,228,945	\$42,200,178	2.91%
1996	\$275,561	\$826,586	\$1,102,147	\$42,733,300	2.58%
1995	\$7,011	\$805,878	\$812,889	\$41,097,877	1.98%
1994	0	\$267,918	\$267,918	\$40,676,516	0.66%
1993	0	0	0	\$38,820,073	0.00%
1992	0	0	0	\$36,714,275	0.00%

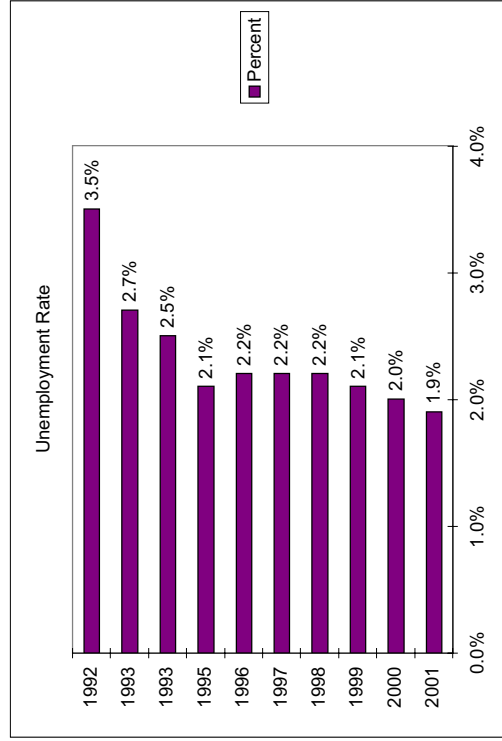
Source: Kettering City School District records.

(1) All fiscal years reported on a GAAP basis.

KETTERING CITY SCHOOL DISTRICT, OHIO  
 DEMOGRAPHIC STATISTICS  
 LAST TEN YEARS  
 1992-2001

TABLE 10

Year	Population (1)(5)	School Enrollment (2)	Per Capita Income (3)(5)	Unemployment Rate (4)(5)
2001	61,940	8,038	\$25,956	1.9%
2000	61,940	8,004	\$26,475	2.0%
1999	62,371	8,031	\$25,956	2.1%
1998	62,352	8,041	\$25,447	2.2%
1997	62,250	8,061	\$24,948	2.2%
1996	62,190	7,991	\$23,988	2.2%
1995	61,862	7,954	\$23,066	2.1%
1994	61,600	7,921	\$22,186	2.5%
1993	61,405	7,794	\$21,478	2.7%
1992	61,671	7,676	\$20,853	3.5%



Sources:

- (1) Based on census data for 1990. All other years are estimates from the Cities of Kettering and Moraine; includes an estimated 1,371 population from the portion of the City of Moraine which is in the Kettering City School District.
- (2) Kettering City School District Records.
- (3) Data for the City of Kettering, Ohio from Department of Planning and Development; 2000 projected.
- (4) Data for the City of Kettering, Ohio from Ohio Bureau of Employment Services; 2001 as of June; all other years as of December.
- (5) Prior year amounts have been restated to reflect current available information.

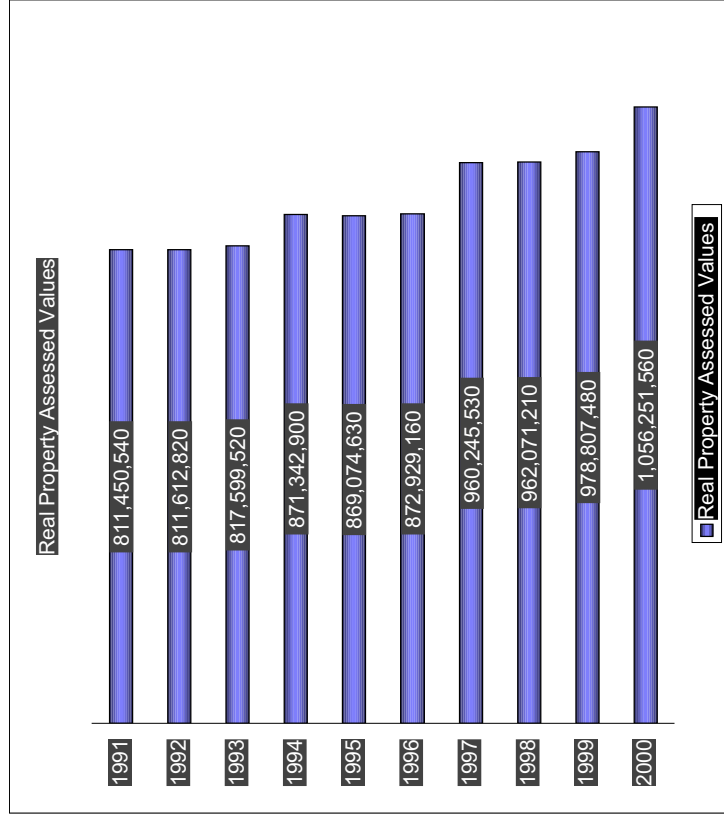
TABLE 11

KETTERING CITY SCHOOL DISTRICT, OHIO  
 CONSTRUCTION, BANK DEPOSITS, AND PROPERTY VALUES  
 LAST TEN COLLECTION (CALENDAR) YEARS  
 1991-2000

Collection Year	Residential Construction (1)	Commercial Construction (1)	Bank Deposits (2) in Thousands	Real Property Assessed Values (3)
2000	\$9,830,923	\$58,217,405	\$3,018,277	\$1,056,251,560
1999	\$8,569,914	\$25,932,701	\$2,994,378	\$978,807,480
1998	\$10,590,067	\$25,430,152	\$3,264,705	\$962,071,210
1997	\$8,889,562	\$82,833,051	\$3,530,314	\$960,245,530
1996	\$8,555,747	\$40,184,215	\$3,899,145	\$872,929,160
1995	\$7,777,188	\$26,306,619	\$3,995,114	\$869,074,630
1994	\$4,431,111	\$28,871,108	\$4,034,766	\$871,342,900
1993	\$7,008,075	\$12,563,963	\$3,834,335	\$817,599,520
1992	\$5,385,151	\$9,112,603	\$4,068,798	\$811,612,820
1991	\$2,874,578	\$10,748,963	\$6,728,755	\$811,450,540

Sources:

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





KETTERING CITY SCHOOL DISTRICT, OHIO  
 TOP TEN PRINCIPAL TAXPAYERS  
 June 30, 2001

TABLE 12

Name of Taxpayer	Type of Business	Real Property Assessed Valuation	Personal Property Assessed Valuation	Total Assessed Valuation	% of Total Assessed Valuation
General Motors Corporation (1)	Automotive manufacturer	\$40,150,180	\$75,980,740	\$116,130,920	8.54%
Dayton Power and Light	Gas and electric utility	9,214,190	90,086,580	99,300,770	7.30%
Ohio Bell	Telephone utility	0	10,231,370	10,231,370	0.75%
Scitex Digital Printing, Inc.	Digital printing	0	9,911,320	9,911,320	0.73%
Kettering Medical Center	Private Hospital	7,594,430	0	7,594,430	0.56%
Bank One	Banking Services	5,675,440	0	5,675,440	0.42%
Reynolds & Reynolds Co.	Retail Business Forms	3,042,830	2,668,190	5,711,020	0.42%
Dayton Town & Country Inc.	Property management	4,382,110	0	4,382,110	0.32%
Teachers Retirement System	Retirement System	4,310,370	0	4,310,370	0.32%
Lincoln Park Associates	Retirement facility	3,920,250	0	3,920,250	0.29%
Sub-Total		78,289,800	188,878,200	267,168,000	19.65%
All Others		937,280,148	155,486,555	1,092,766,703	80.35%
Grand Total		\$1,015,569,948	\$344,364,755	\$1,359,934,703	100.00%

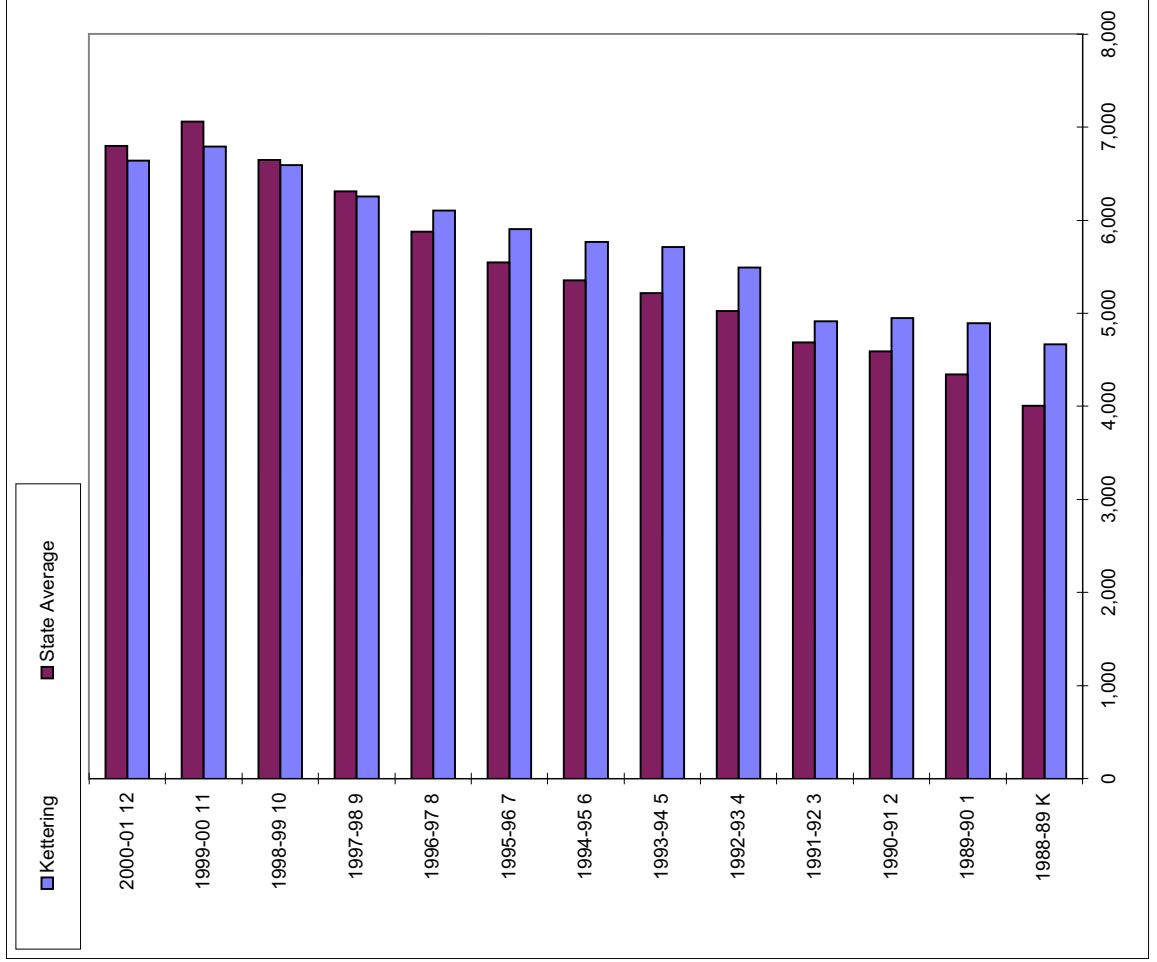
Source: Montgomery County, Ohio, Auditor's Office.

(1) Includes Delphi Automotive

KETTERING CITY SCHOOL DISTRICT, OHIO  
 COST TO EDUCATE A 2000 GRADUATE  
 June 30, 2001

TABLE 13

School Year	Grade	All Funds Cost Per Pupil Kettering City	State Average
1988-89	K	\$4,663	\$4,004
1989-90	1	4,890	4,338
1990-91	2	4,946	4,585
1991-92	3	4,914	4,685
1992-93	4	5,486	5,024
1993-94	5	5,711	5,216
1994-95	6	5,761	5,353
1995-96	7	5,905	5,545
1996-97	8	6,104	5,876
1997-98	9	6,256	6,307
1998-99	10	6,591	6,642
1999-00	11	6,789	7,057
2000-01	12	6,637	6,796
	TOTAL	----- \$74,653 =====	----- \$71,428 =====

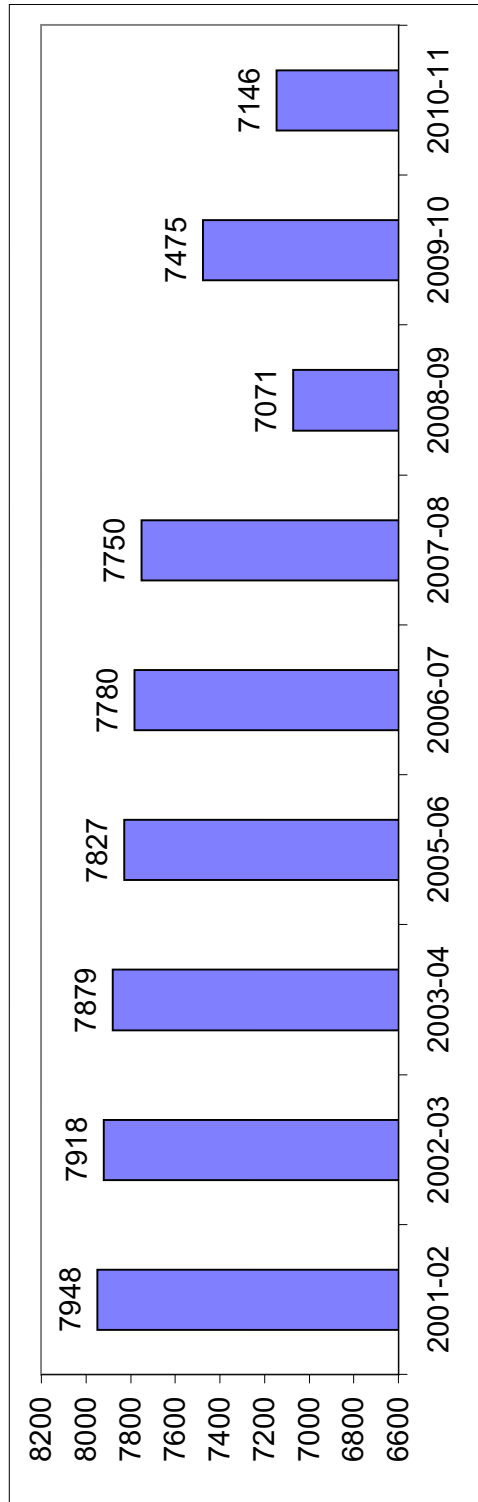


Source: Kettering City School District Records.

KETTERING CITY SCHOOL DISTRICT, OHIO  
 ENROLLMENT PROJECTION BY GRADE  
 JUNE 30, 2001

Actual	K	1	2	3	4	5	6	7	8	9	10	11	12	Sp.Ed.*	Total
1997-98	613	642	633	625	647	610	626	640	630	637	604	589	535	14	8045
1998-99	577	592	641	621	637	646	616	634	612	636	615	631	473	15	7946
1999-00	530	609	580	646	610	642	650	623	630	636	624	653	543	12	7988
2000-01	555	550	585	573	650	597	629	656	631	658	623	642	562	9	7920
The following are projections:															
2001-02	606	614	578	584	605	624	630	627	643	616	623	639	544	15	7948
2002-03	606	614	600	578	584	601	626	637	621	648	608	633	547	15	7918
2003-04	606	614	600	600	578	579	598	633	631	625	640	618	542	15	7879
2004-05	606	614	600	600	600	573	579	604	627	635	617	650	529	15	7849
2005-06	606	614	600	600	600	595	573	585	598	631	627	627	556	15	7827
2006-07	606	614	600	600	600	595	593	579	579	602	623	637	537	15	7780
2007-08	606	614	600	600	600	595	593	599	573	583	594	633	545	15	7750
2008-09	541	544	536	535	537	532	525	528	569	560	548	569	532	15	7071
2009-10	597	603	596	602	604	602	584	588	512	580	505	596	491	15	7475
2010-11	555	565	557	559	554	552	543	578	574	519	531	545	499	15	7146

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



KETTERING CITY SCHOOL DISTRICT, OHIO  
 DIRECTORY OF SCHOOL FACILITIES  
 JUNE 30, 2001

TABLE 15

Facility	Address	Administrator	Grades	2000-2001 Enrollment
Beavertown Elementary School	2700 Wilmington Pike	Ms. Kay Richards	K-5	398
Greenmont Elementary School	1 East Wren Circle	Mr. Thomas Tudor	K-5	375
Indian Riffle Elementary School	3090 Glengarry Drive	Ms. Debbie Beiter	K-5	482
J. F. Kennedy Elementary School	5030 Polen Drive	Mr. George Caras	K-5	558
Moraine Meadows Elementary School	2600 Holman Street	Ms. Margaret Engelhardt	K-5	190
Oakview Elementary School	4001 Ackerman Boulevard	Dr. Ronald Sinclair	K-5	411
Orchard Park Elementary School	600 East Dorothy Lane	Mr. David Timpone	K-5	319
J. E. Prass Elementary School	2601 Parklawn Drive	Mr. Richard Bowden	K-5	384
Southdale Elementary School	1200 West Dorothy Lane	Ms. Valerie Browning	K-5	393
Kettering Middle School	3000 Glengarry Drive	Ms. Kimberlee Gray	6-8	1,176
Van Buren Middle School	3775 Shroyer Road	Mr. Lowell Vorpe	6-8	740
Kettering Fairmont High School	3301 Shroyer Road	Dr. Peg McAtee	9-12	2,494
Buildings and Grounds Department	2636 Wilmington Pike	Mr. Richard Russell		
Transportation and Bus Garage	2640 Wilmington Pike	Mr. Jeffrey Rush		
Central Administration Building	3750 Far Hills Avenue	Superintendent Dr. Robert Mengerink		

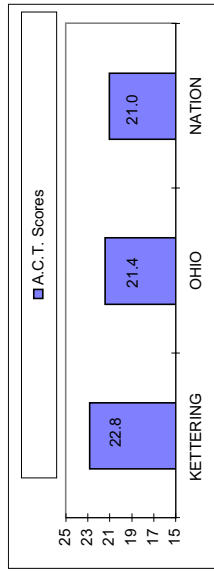
Source: Kettering City School District records.

TABLE 16

KETTERING CITY SCHOOL DISTRICT, OHIO  
STUDENT TEST SCORES SUMMARY  
JUNE 30, 2001

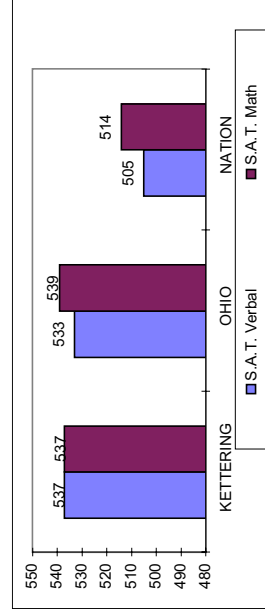
PROFICIENCY TEST	PERCENT MEETING STATE STANDARDS				
	4TH GRADE (1)	6TH GRADE (1)	9TH GRADE (1)	2) 9TH GRADE (3)	9TH GRADE (3)
WRITING	84.4%	92.3%	95.2%	97.1%	97.1%
READING	68.5%	72.3%	97.0%	97.1%	97.1%
MATHEMATICS	72.5%	73.7%	86.0%	88.8%	88.8%
CITIZENSHIP	75.7%	82.4%	91.6%	94.8%	94.8%
SCIENCE	68.8%	76.4%	89.4%	92.0%	92.0%

AMERICAN COLLEGE TEST (ACT) (4) (5)	SCORE
KETTERING	22.8
OHIO	21.4
NATION	21.0



A.C.T. Scores	
Kettering	22.8
Ohio	21.4
Nation	21.0

SCHOLASTIC APTITUDE TEST (SAT) (5)	MEAN SCORE
VERBAL	537
KETTERING CITY	533
OHIO	505
NATION	514
MATHEMATICS	537
KETTERING CITY	539
OHIO	505
NATION	514



S.A.T. Verbal		S.A.T. Math	
Kettering	537	Kettering	537
Ohio	533	Ohio	539
Nation	505	Nation	514

Source: Kettering City School District Records.

- (1) Percentages represent Kettering City students scoring at or above the State passing standard for each of the five sub-tests.
- (2) The 9th grade Proficiency Test is administered to students in the 8th grade.
- (3) Percentages include 10th grade students retaking the test.
- (4) Required for admission to Ohio colleges and universities
- (5) Represent district's most recent figures, which are 2000-01 test scores.

KETTERING CITY SCHOOL DISTRICT, OHIO  
 MISCELLANEOUS STATISTICS  
 JUNE 30, 2001

TABLE 17

Date Formed	June 26, 1841
Form of Government	Five member Board of Education
Population	61,940
Area	21.3 Square Miles
Full-time Equivalent Staff Certificated (FTE)	934
Classified (FTE)	567
	367
Average Years Teaching Experience	13.9
Average Teacher Training	Master's Degree
Student Enrollment	7,920
Facilities	15
Elementary Schools (K-5)	9
Middle Schools (6-8)	2
Senior High School (9-12)	1
Maintenance Building	1
Transportation Building	1
Central Office/Adult School	1
Cost per Pupil (1)	\$6,637

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



STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

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800-282-0370  
Facsimile 614-466-4490

**KETTERING CITY SCHOOL DISTRICT**

**MONTGOMERY COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 15, 2002**