



Mary Taylor, CPA  
Auditor of State





# Dave Yost • Auditor of State

January 18, 2011

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 10, 2011. Thus, I am certifying this audit report for release under the signature of my predecessor.

A handwritten signature in black ink that reads "Dave Yost".

DAVE YOST  
Auditor of State

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**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 FISCAL YEAR ENDED JUNE 30, 2010**

<b>Federal Grantor/ Pass Through Grantor Program Title</b>	<b>Federal CFDA Number</b>	<b>Receipts</b>	<b>Non-Cash Receipts</b>	<b>Disbursements</b>	<b>Non-Cash Disbursements</b>
<b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>					
<i>Passed through Ohio Department of Education</i>					
Child Nutrition Cluster:					
School Breakfast Program	10.553	\$188,503		\$188,503	
National School Lunch Program	10.555	1,023,053		1,023,053	
Cash Assistance					
Non-Cash Assistance (Food Distribution)			\$356,864		\$356,864
Total National School Lunch Program		<u>1,023,053</u>	<u>356,864</u>	<u>1,023,053</u>	<u>356,864</u>
Total Child Nutrition Cluster		<u>1,211,556</u>	<u>356,864</u>	<u>1,211,556</u>	<u>356,864</u>
Child and Adult Care Food Program	10.558	20,902		20,902	
Total United States Department of Agriculture		<u>1,232,458</u>	<u>356,864</u>	<u>1,232,458</u>	<u>356,864</u>
<b>UNITED STATES DEPARTMENT OF EDUCATION</b>					
<i>Passed through Ohio Department of Education</i>					
Adult Education - Basic Grants to States	84.002	149,563		165,412	
Title I, Part A Cluster:					
Title I Grants to Local Educational Agencies	84.010	1,141,995		1,154,548	
ARRA - Title I Grants to Local Educational Agencies	84.389	507,996		497,677	
Total Title I, Part A Cluster		<u>1,649,991</u>		<u>1,652,225</u>	
Special Education Cluster:					
Special Education_Grants to States	84.027	1,502,049		1,535,146	
ARRA Special Education_Grants to States	84.391	1,346,578		1,425,163	
Special Education_Preschool Grants	84.173	4,261		4,580	
ARRA - Special Education-Preschool Grants	84.392	17,650		16,895	
Total Special Education Cluster		<u>2,870,538</u>		<u>2,981,784</u>	
Safe and Drug-Free Schools and Communities State Grant	84.186	17,681		28,050	
Even Start State Educational Agencies	84.213	327,446		373,842	
State Grants for Innovative Programs	84.298	14,054		18,377	
Educational Technology State Grants	84.318	10,506		10,178	
English Language Acquisition Grants	84.365	13,215		14,488	
Improving Teacher Quality State Grants	84.367	136,643		133,017	
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants	84.394	727,843		722,516	
<i>Passed through Centerville City School District</i>					
Career and Technical Education - Basic Grants to States	84.048	94,435		70,110	
Total United States Department of Education		<u>6,011,915</u>		<u>6,169,999</u>	
Total Federal Assistance		<u>\$7,244,373</u>	<u>\$356,864</u>	<u>\$7,402,457</u>	<u>\$356,864</u>

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

**KETTERING CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) reports the Kettering City School District (the District's) federal award programs' receipts and disbursements. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

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

**NOTE C – FOOD DONATION PROGRAM**

The District reports commodities consumed on the Schedule at the fair value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

**NOTE D - MATCHING REQUIREMENTS**

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





# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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 the governmental activities, each major fund, and the aggregate remaining fund information of Kettering City School District, Montgomery County, (the District) as of and for the year ended June 30, 2010 which collectively comprise the District's basic financial statements and have issued our report thereon dated December 10, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

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

### Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated December 10, 2010.

Kettering City School District  
Montgomery County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

We intend this report solely for the information and use of management, Board of Education, and federal awarding agencies and pass-through entities, and others within the District. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

December 10, 2010



# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY 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, Montgomery County (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 could directly and materially affect each of Kettering City School District's major federal programs for the year ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. 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 included in the Comptroller General of the United States' *Government Auditing Standards*; 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 reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe 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, the Kettering City School District complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2010.

#### Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

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**Internal Control Over Compliance  
(Continued)**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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

**Schedule of Federal Awards Receipts and Expenditures**

We have also audited the financial statements for the governmental activities, each major fund, and the aggregate remaining fund information of Kettering City School District as of and for the year ended June 30, 2010. Our audit was performed to form an opinion on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The accompanying Schedule of Federal Awards Receipts and Expenditures provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The Schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This Schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the management, Board of Education, others within the entity, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

December 10, 2010

**KETTERING CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2010**

**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 weaknesses reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control 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(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	<p>Special Education Cluster:  Special Education Grants to States (CFDA #84.027)  Special Education Preschool Grants (CFDA #84.173)  ARRA - Special Education Grants to States (CFDA #84.391)  ARRA - Special Education Preschool Grants (CFDA #84.392)</p> <p>Title I, Part A Cluster:  Title I Grants to Local Educational Agencies: (CFDA #84.010)  ARRA - Title I Grants to Local Educational Agencies (CFDA #84.389)</p> <p>ARRA - State Fiscal Stabilization Fund (SFSF) – Education State Grants (CFDA #84.394)</p>
<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>	No

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

None

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

None

KETTERING CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY

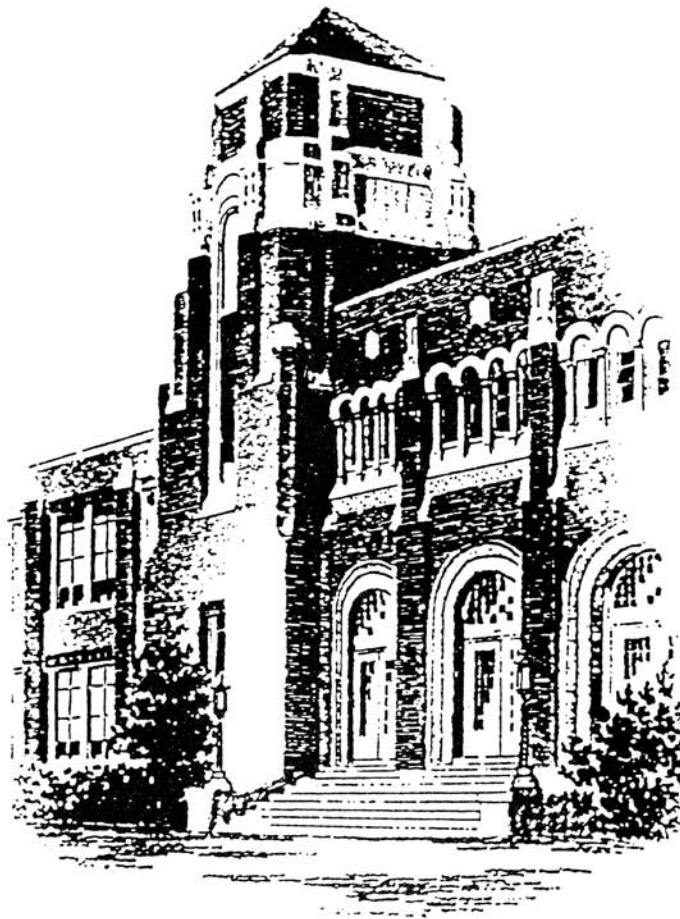
SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
JUNE 30, 2010

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2009-001	Budgetary Amendments and Certificates of Estimated Resources	No	Partially Corrected. Comment has been included in the Management Letter

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# KETTERING CITY SCHOOL DISTRICT

MONTGOMERY COUNTY, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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***KETTERING CITY SCHOOL DISTRICT***

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Montgomery County, Ohio

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2010**

*Prepared by:*  
Mr. Steven G. Clark  
Treasurer

*KETTERING CITY SCHOOL DISTRICT*

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**KETTERING CITY SCHOOL DISTRICT**

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# KETTERING CITY SCHOOL DISTRICT

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**KETTERING CITY SCHOOL DISTRICT**

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## *INTRODUCTORY SECTION*

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# **Kettering City School District**

3750 Far Hills Avenue  
Kettering, Ohio 45429

Treasurer's Office: phone (937) 499-1409

fax (937)-499-1467

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December 10, 2010

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

We are pleased to present the sixteenth Comprehensive Annual Financial Report (CAFR) of the Kettering City School District for the fiscal year ended June 30, 2010. 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 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 government entities.

The MD&A provides a narrative introduction, overview and analysis to accompany the basic financial statements. This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the Independent Accountants' Report.

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 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.

# ***KETTERING CITY SCHOOL DISTRICT***

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## ***Letter of Transmittal For the Fiscal Year Ended June 30, 2010***

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### **HISTORY AND BACKGROUND**

The 2010 school year marked the 167th year of existence for the Van Buren/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 third 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. Then Superintendent Dwight L. Barnes and Assistant Superintendent J. E. Prass spearheaded this move. 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. The 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 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.

## ***KETTERING CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2010***

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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 departments 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 64,038 and covers 21.3 square miles. The City of Moraine has 6,536 residents of whom approximately 1,370 reside within the Kettering City School District and encompasses 9.22 square miles of which approximately 2.9 are within the Kettering City School District.

The official opening enrollment of the District was 7,370 (approximately 157 from Moraine) enrolled in nine elementary schools, two middle schools and one high school during the 2009-10 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 School District Board of Education passed a resolution to change the name of the school district from the Kettering-Moraine City 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 dollar, and approves the annual appropriation resolution and tax budget.

The Board members on June 30, 2010 were as follows:

George Bayless  
James A. Brown  
Julie A. Gilmore  
Lori Simms  
James S. Trent

The Superintendent is the chief executive officer of the District, responsible directly to the Board for all operations. Dr. James Schoenlein was appointed as Superintendent effective August 1, 2009.

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.

# ***KETTERING CITY SCHOOL DISTRICT***

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## ***Letter of Transmittal For the Fiscal Year Ended June 30, 2010***

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### **ECONOMIC CONDITION AND OUTLOOK**

#### *Economic Condition and Outlook (Kettering)*

The economic environment for Kettering's business community continued to be one of relative stability during 2009.

According to City of Kettering, although the city has been negatively impacted by an overall decline in employment in the area, the overall effect was diminished due to the diversity of the employment base. Kettering's business base ranges from some major employers headquartered in Kettering to many midsize companies specializing in technology or professional services down to smaller family owned businesses. The city's largest employers include Kettering Medical Center (KMC) and Reynolds & Reynolds. KMC employs 3,100 and continued construction in 2009 of the Schuster Heart Hospital that will be a \$70 million, 137,000 sq ft addition to the front of the facility. The new Heart Hospital will be a state of the art facility containing ninety private rooms. KMC anticipates completion in July 2010. Reynolds & Reynolds, a fortune 1000 company based in Dayton since 1866, has transitioned nicely following the merger with Universal Computer Systems (UCS) in 2006. The company completed a \$19 million, 15,000 sq ft Data Center at the Miami Valley Research Park campus in 2009.

According to City of Kettering, the city is about 95% developed so a primary focus of economic development in the city is on the redevelopment of underutilized sites. The new development, Charlotte's Garden, is a mixed use of retail and office space.

#### *Economic Condition and Outlook (Moraine)*

According to City of Moraine, during 2009, the city saw many positive economic developments even when considering the unfortunate ripple of effect associated with the closing of Moraine Assembly Plant in December 2008. Several new businesses have moved into the community and several existing business expanded their operations in Moraine. Those businesses that newly located in Moraine include C-Safe, P2SI, True Quality Collision, and Matrix. Those that expanded their operations in Moraine included American Testing Services, Accutemp, American Thermal Instruments, and Kaplan University. The economic growth in 2009 brought roughly 230 new jobs and over 100 retained jobs once all investments are completed in 2010.

### **EMPLOYEE RELATIONS**

The Board employs 951.22 full-time equivalent (FTE) employees (including non-teaching personnel). Of the Board's current employees, 582.50 (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. The starting salary for a teacher with bachelor's degree for the period beginning August 1, 2009 was \$34,959. The maximum teacher salary in 2009-2010 for a doctorate degree was \$89,495 with 28 years longevity.

## ***KETTERING CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2010***

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Five hundred and sixty four (564) 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 current contract between the Board and the Association became effective July 1, 2009 and expires June 30, 2011.

Two hundred forty two (242) of the Board's classified employees 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 ("AFSME"). The current contract between the Board and OAPSE became effective July 1, 2009 and expires July 31, 2011.

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 4-year negotiated agreement with both employee bargaining groups.

### **MAJOR INITIATIVES**

#### For the Year...and the future...

In accordance with the District Continuous Improvement Plan, Goal 4, that 'Annually, the District will increase the use of existing and emerging electronic technologies to improve teaching and student performance and to provide universal community access to District curriculum and instruction information,' Kettering City School District major initiatives for the 2010-11 school year include extensive training for administrators and key building personnel on how to use Pinnacle Analytics, and ongoing professional development for teachers to use Aimsweb, a powerful assessment, intervention and progress monitoring system. The technology department continues to expand the wireless capabilities throughout the district.

The Technology Services Department is working closely with the Curriculum and Instruction Department to support student learning. Monthly training sessions for administrators and key building personnel on Pinnacle Analytics, a data warehousing product that will bring together data from a variety of disparate sources, aggregating student information systems, assessment systems and more, will be ongoing this year. Our administrators and teachers will be able to evaluate school programs, operations, and student data. With these solutions, our teachers can make instructional decisions to improve student achievement, and our administrators will be able to make informed decisions on current and future programs.

Over the past four years, 180 new electronics Smart Boards have been installed in teacher classrooms to support student learning. Replacing traditional chalkboards and white boards with electronic smart boards brings a completely new dimension to the classroom. Teachers can make their subject matter come alive through animation, videostreaming, and interactive lessons that research has proven, engages students in daily lessons. The Smart Board project is on going. Teachers who are interested in acquiring this technology must apply for an in-house grant that requires them to explain how this technology will benefit the students in their classrooms.

## ***KETTERING CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2010***

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#### **OTHER INFORMATION**

##### *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, 2010. The auditor's report on the District's basic 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 States 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, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for the preparation of the 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 15 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 year ended June 30, 2009. 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 15 consecutive years. We believe our current report continues to conform to the Certificate of Excellence program requirements, and we are submitting it to ASBO.

## ***KETTERING CITY SCHOOL DISTRICT***

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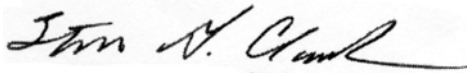
***Letter of Transmittal  
For the Fiscal Year Ended June 30, 2010***

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*Acknowledgments*

The preparation of publication of this sixteenth Comprehensive Annual Financial Report would not have been possible without the cooperation and support of the entire staff of the Treasurer's Office. Sincere appreciation is extended to Rosalinda G. Revels, Assistant Treasurer, for her exceptional individual effort and dedication to this achievement. A special thanks to Kenneth Lackey, and the Business Services staff; Student Services Director – James Justice; Director of Technology Services – Debbie LeValley; Montgomery County Auditor's Office; Kettering City Finance Department; Moraine City Finance Department; and the State Auditor's Office for their special support. Also, special thanks to Schonhardt & Associates and staff for assistance in the preparation of this financial report.

Sincerely,



Mr. Steven G. Clark, CFO  
Treasurer



Dr. James Schoenlein, PhD.  
Superintendent



# ***KETTERING CITY SCHOOL DISTRICT***

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## ***Principal Officials***

***For the Fiscal Year Ended June 30, 2010***

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### ***Elected Officials***

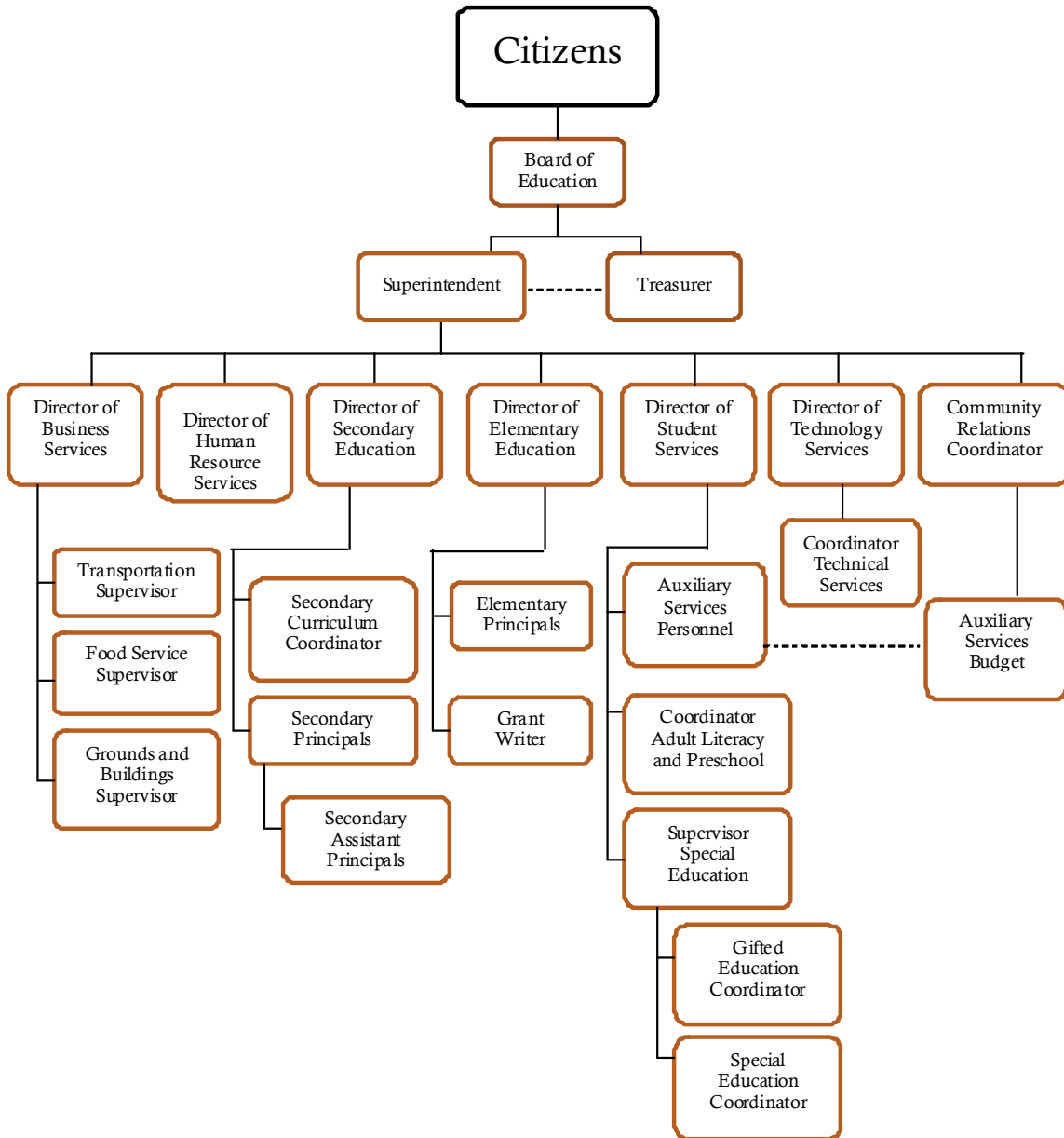
President – Board Of Education	....	Mr. James Trent
Vice President – Board Of Education	....	Mr. George Bayless
Board Member	....	Ms. Lori Simms
Board Member	....	Miss Julie Ann Gilmore
Board Member	....	Mr. James A. Brown

### ***Administrative Officials***

Superintendent	....	Dr. James Schoenlein, PhD.
Treasurer	....	Mr. Steven G. Clark
Director – Student Services	....	Mr. James Justice
Director – Human Resources	....	Dr. Kyle Ramey
Director – Business Services	....	Mr. Ken Lackey
Director – Technology Services	....	Ms. Debbie LeValley
Director – Curriculum and Instruction	....	Mr. Norm Knowlton

# KETTERING CITY SCHOOL DISTRICT

**Organizational Chart**  
**For the Fiscal Year Ended June 30, 2010**



# KETTERING CITY SCHOOL DISTRICT

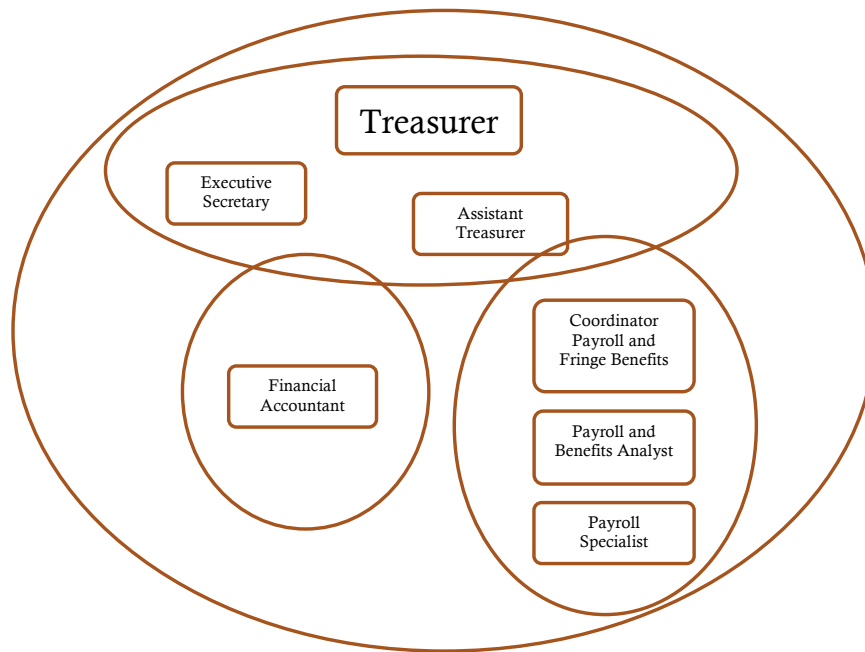
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*Office of the Treasurer  
For the Fiscal Year Ended June 30, 2010*

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## **Team Organization**

Treasurer	....	Steven G. Clark
Assistant Treasurer	....	Rosalinda G. Revels
Coordinator – Payroll and Fringe Benefits	....	Jill E. Lopez
Payroll and Benefits Analyst	....	Denise Lay
Executive Secretary	....	B. Diane Pence
Payroll Specialist	....	Vicki McCloud
Financial Accountant	....	Robin Keogh



**KETTERING CITY SCHOOL DISTRICT**

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*Government Finance Officers Association of the United States and Canada  
Certificate of Achievement for Excellence in Financial Reporting*

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**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, 2009

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.



President

Executive Director

**KETTERING CITY SCHOOL DISTRICT**

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*Association of School Business Officials  
Certificate of Excellence in Financial Reporting*

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**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, 2009

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

*Erin Green*

President

*John D. Russo*

Executive Director

## *FINANCIAL SECTION*

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kettering City School District, Montgomery County, Ohio (the District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Kettering City School District, Montgomery County, Ohio, as of June 30, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



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

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



**Mary Taylor, CPA**  
Auditor of State

December 10, 2010

# KETTERING CITY SCHOOL DISTRICT

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*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010*

*Unaudited*

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The discussion and analysis of Kettering City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

## **FINANCIAL HIGHLIGHTS**

### **Key financial highlights for 2010 are as follows:**

In total, net assets decreased \$1,710,532 a 7.3% decrease from 2009.

General revenues accounted for \$73,665,467 in revenue or 76.9% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$22,123,431 or 23.1% of total revenues of \$95,788,898.

The District had \$97,499,430 in expenses related to governmental activities; only \$22,123,431 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$73,665,467 were adequate to provide for these programs.

Among major funds, the General Fund had \$73,806,237 in revenues and \$79,884,396 in expenditures. The General Fund's fund balance decreased \$6,096,318, to \$3,664,598. Revenues decreased from 2009 by 6.2% primarily due to a decrease in tax revenues. Expenditures increased from 2009 by 3.3% primarily due to increases in salaries and wages.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts – *management's discussion and analysis*, the *basic financial statements*, and an optional section that presents *combining statements and schedules* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the District:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the District's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

# KETTERING CITY SCHOOL DISTRICT

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*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010*

*Unaudited*

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## **Government-wide Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. Net-assets (the difference between the District's assets and liabilities) are one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional nonfinancial factors such as the property tax base, current property tax laws, student enrollment growth and facility conditions.

The government-wide financial statements of the District reflect the following category for its activities:

- *Governmental Activities* – The District's programs and services are reported as governmental activities and include instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

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

**Proprietary Fund** – The District uses an internal service fund to report activities that provide services for the District's other programs and activities. The proprietary fund is reported in the same manner that all activities are reported in the Statement of Net Assets and the Statement of Activities.

## **KETTERING CITY SCHOOL DISTRICT**

**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2010**

**Unaudited**

**Fiduciary Funds** – The District is the trustee, or fiduciary, for various student-managed activity programs and for employee benefit deposits listed as agency funds. All of the District's fiduciary activities are reported in the Statement of Fiduciary Assets and Liabilities. We exclude these activities from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

### **FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE**

The following table provides a summary of the District's net assets for 2010 compared to 2009.

	Governmental Activities		Increase (Decrease)
	2010	2009	
Current and other assets	\$81,512,531	\$78,985,069	\$2,527,462
Capital assets, Net	114,144,354	115,855,044	(1,710,690)
Total assets	195,656,885	194,840,113	816,772
Long-term debt outstanding	107,600,307	111,257,681	(3,657,374)
Other liabilities	66,276,421	60,091,743	6,184,678
Total liabilities	173,876,728	171,349,424	2,527,304
Net assets			
Invested in capital assets, net of related debt	16,447,133	14,593,555	1,853,578
Restricted	3,175,151	2,882,646	292,505
Unrestricted	2,157,873	6,014,488	(3,856,615)
Total net assets	\$21,780,157	\$23,490,689	(\$1,710,532)

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## KETTERING CITY SCHOOL DISTRICT

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010*

*Unaudited*

**Changes in Net Assets** – The following table shows the changes in net assets for fiscal years 2010 and 2009:

	Governmental Activities		Increase (Decrease)
	2010	2009	
<b>Revenues</b>			
Program Revenues:			
Charges for Services and Sales	\$3,608,739	\$3,403,834	\$204,905
Operating Grants and Contributions	18,430,968	9,363,594	9,067,374
Capital Grants and Contributions	83,724	72,312	11,412
Total Program Revenues	<u>22,123,431</u>	<u>12,839,740</u>	<u>9,283,691</u>
General revenues:			
Taxes	53,552,069	57,874,816	(4,322,747)
Grants and Entitlements	18,883,431	24,253,458	(5,370,027)
Investment earnings	184,639	654,210	(469,571)
Miscellaneous	1,045,328	1,143,265	(97,937)
Total General Revenues	<u>73,665,467</u>	<u>83,925,749</u>	<u>(10,260,282)</u>
Total Revenues	<u>95,788,898</u>	<u>96,765,489</u>	<u>(976,591)</u>
<b>Program Expenses</b>			
Instruction:			
Regular	36,080,724	35,494,431	586,293
Special	9,075,308	8,267,476	807,832
Vocational	2,726,098	2,206,443	519,655
Adult/Continuing	80,190	41,716	38,474
Other Instruction	2,333,372	2,706,076	(372,704)
Support Services:			
Pupils	8,570,082	7,662,489	907,593
Instructional Staff	5,617,159	4,710,916	906,243
Board of Education	67,166	73,370	(6,204)
Administration	5,676,841	6,918,465	(1,241,624)
Fiscal Services	1,570,448	1,894,159	(323,711)
Business	617,931	574,690	43,241
Operation and Maintenance of Plant	8,764,444	8,463,308	301,136
Pupil Transportation	3,531,497	3,319,938	211,559
Central	1,895,046	1,772,667	122,379
Non-Instructional Services	4,730,528	4,724,183	6,345
Extracurricular Activities	1,841,347	2,000,014	(158,667)
Interest and Fiscal Charges	4,321,249	4,423,719	(102,470)
Total expenses	<u>97,499,430</u>	<u>95,254,060</u>	<u>2,245,370</u>
Change in Net Assets	(1,710,532)	1,511,429	(3,221,961)
Net Assets Beginning of Year	<u>23,490,689</u>	<u>21,979,260</u>	<u>1,511,429</u>
Net Assets End of Year	<u>\$21,780,157</u>	<u>\$23,490,689</u>	<u>(\$1,710,532)</u>

## KETTERING CITY SCHOOL DISTRICT

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010*

*Unaudited*

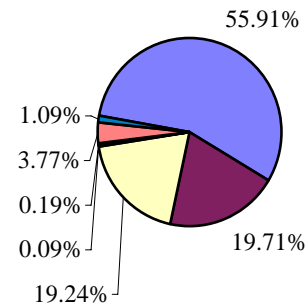
### **Governmental Activities**

Net assets of the District's governmental activities decreased by \$1,710,532. This was due to a combination of factors, predominantly the decrease in taxes and grants and entitlements and holding expenditure increases to a minimum.

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. In general, the overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00. However, the assessed millage cannot be reduced below 20 mills, according to state statutes.

The District's reliance upon tax revenues is demonstrated by the following graph indicating 55.91% of total revenues from general tax revenues:

Revenue Sources	2010 Amount	Percent of Total
Taxes	\$ 53,552,069	55.91%
Grants and Entitlements	18,883,431	19.71%
Operating Grants and Contributions	18,430,968	19.24%
Capital Grants and Contributions	83,724	0.09%
Investment earnings	184,639	0.19%
Charges for Services and Sales	3,608,739	3.77%
Miscellaneous	1,045,328	1.09%
Total revenues	<u>\$95,788,898</u>	<u>100.00%</u>



### **FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS**

The District's governmental funds reported a combined fund balance of \$8,291,177, which is less than last year's total of \$14,074,745. The schedule below indicates the fund balance and the total change in fund balance by fund as of June 30, 2010 and 2009.

	Fund Balance June 30, 2010	Fund Balance June 30, 2009	Increase (Decrease)
General	\$3,664,598	\$9,760,916	(\$6,096,318)
Bond Retirement	2,358,342	2,728,232	(369,890)
Other Governmental	2,268,237	1,585,597	682,640
Total	<u>\$8,291,177</u>	<u>\$14,074,745</u>	<u>(\$5,783,568)</u>

## **KETTERING CITY SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010**

**Unaudited**

*Bond Retirement Fund* – The District's Bond Retirement Fund balance decrease is due to lower tax revenue collections in 2010.

*General Fund* – The District's General Fund balance decrease is due to several factors. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2010 <u>Revenues</u>	2009 <u>Revenues</u>	Increase <u>(Decrease)</u>
Taxes	\$45,982,170	\$51,352,604	(\$5,370,434)
Tuition and Fees	368,068	263,480	104,588
Transportation	34,700	74,964	(40,264)
Interest	182,825	660,051	(477,226)
Intergovernmental	26,619,538	25,843,256	776,282
Extracurricular Activities	56,502	54,825	1,677
Classroom Materials and Fees	4,764	4,496	268
Miscellaneous	<u>557,670</u>	<u>426,270</u>	<u>131,400</u>
Total	<u><u>\$73,806,237</u></u>	<u><u>\$78,679,946</u></u>	<u><u>(\$4,873,709)</u></u>

General Fund revenues in 2010 decreased approximately 6.2% compared to revenues in fiscal year 2009. The major factor contributing to this decrease was the decrease in tax revenues.

	2010 <u>Expenditures</u>	2009 <u>Expenditures</u>	Increase <u>(Decrease)</u>
Instruction:			
Regular	\$34,201,523	\$33,135,784	\$1,065,739
Special	6,100,808	6,571,982	(471,174)
Vocational	2,471,938	1,846,936	625,002
Other Instruction	2,286,766	2,706,076	(419,310)
Supporting Services:			
Pupils	6,851,231	6,210,571	640,660
Instructional Staff	4,681,449	3,844,888	836,561
Board of Education	67,089	73,370	(6,281)
Administration	5,748,227	6,115,687	(367,460)
Fiscal Services	1,494,161	1,805,519	(311,358)
Business	610,037	547,563	62,474
Operation & Maintenance of Plant	8,410,576	7,959,448	451,128
Pupil Transportation	3,208,582	3,019,455	189,127
Central	1,831,405	1,594,495	236,910
Non-Instructional Services	100,469	31,987	68,482
Extracurricular Activities	1,266,392	1,304,102	(37,710)
Facility Acquisition and Construction	47,499	28,393	19,106
Debt Service:			
Principal Retirement	466,975	457,511	9,464
Interest & Fiscal Charges	<u>39,269</u>	<u>55,419</u>	<u>(16,150)</u>
Total	<u><u>\$79,884,396</u></u>	<u><u>\$77,309,186</u></u>	<u><u>\$2,575,210</u></u>

# **KETTERING CITY SCHOOL DISTRICT**

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010***

***Unaudited***

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The expenditures increased by \$2,575,210 or 3.3% over the prior year mostly due to salaries and wages increases which affect the increase in fringe benefits, as well.

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

During the course of fiscal year 2010, the District amended its General Fund budget seven times, none significant.

For the General Fund, budget basis revenue of \$74.3 million was a decrease from the original budget estimates of \$75.8 million. This was due to a decrease in State Foundation money. The General Fund had an adequate fund balance to cover expenditures.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### ***Capital Assets***

At the end of fiscal 2010 the District had \$114,144,354 net of accumulated depreciation invested in land, buildings and improvements, furniture, vehicles and equipment. All capital assets are related to governmental activities. The following table shows fiscal year 2010 and 2009 balances:

	Governmental Activities		Increase (Decrease)
	2010	2009	
Land	\$466,616	\$466,616	\$0
Building and Improvements	136,196,566	136,196,566	0
Furniture, Vehicles and Equipment	8,095,982	7,743,505	352,477
Less: Accumulated Depreciation	<u>(30,614,810)</u>	<u>(28,551,643)</u>	<u>(2,063,167)</u>
Totals	<u>\$114,144,354</u>	<u>\$115,855,044</u>	<u>(\$1,710,690)</u>

The only activity within the current year took place in the furniture and equipment category. Additional information can be found in Note 9.



# KETTERING CITY SCHOOL DISTRICT

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010*

*Unaudited*

## **Debt**

At June 30, 2010, the District had \$98,551,482 in bonds outstanding, \$3,268,733 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Governmental Activities:		
General Obligation Bonds	\$98,551,482	\$101,669,750
Capital Leases Payable	648,868	1,115,843
Early Retirement Incentive	138,000	276,000
Compensated Absences	8,261,957	8,196,088
Totals	<u>\$107,600,307</u>	<u>\$111,257,681</u>

Under current state statutes, the District's combined voted and unvoted general obligation bonded debt issues are subject to a legal limitation based on 9% of the total assessed value of real and personal property. At June 30, 2010, the District's outstanding debt was below the legal limit. Additional information on the District's long-term debt can be found in Note 12.

## **ECONOMIC FACTORS**

The District is financially sound, although not overly affluent. The District relies on its property taxes and State Foundation Funds to provide the funds necessary to maintain the educational programs.

A challenge facing the District is the future of state funding. On September 6, 2001, the Ohio Supreme Court issued its opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require 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 and fully funding parity aid no later than the beginning of fiscal year 2004. In general, it is expected the decision would result in an increase in State funding; however, on November 2, 2001, the Court granted the state's motion for reconsideration. On December 11, 2002, the Court issued its latest opinion, reaffirming its earlier decisions that Ohio's current school funding plan is unconstitutional. The Ohio Supreme Court relinquished jurisdiction over the case and directed the Ohio General Assembly to enact a school funding scheme that is "thorough and efficient". As of the date of these financial statements, the District is unable to determine what effect, if any, the decision and the reconsideration will have on its future state funding and on its financial operations.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Steven G. Clark, Treasurer, 3750 Far Hills Avenue, Kettering, Ohio, 45429.

*KETTERING CITY SCHOOL DISTRICT*

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# **KETTERING CITY SCHOOL DISTRICT**

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## **Statement of Net Assets** **June 30, 2010**

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	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 12,099,964
Investments	8,789,280
Receivables:	
Taxes	58,134,961
Accounts	42,895
Intergovernmental	1,347,541
Inventory of Supplies at Cost	263,427
Inventory Held for Resale	50,661
Restricted Assets:	
Cash and Cash Equivalents	12,801
Deferred Charges	771,001
Non-Depreciable Capital Assets	466,616
Depreciable Capital Assets, Net	<u>113,677,738</u>
<b>Total Assets</b>	<b><u>195,656,885</u></b>
<b>Liabilities:</b>	
Accounts Payable	975,964
Accrued Wages and Benefits	8,862,214
Intergovernmental Payable	1,919,097
Claims Payable	1,018,295
Unearned Revenue	53,118,372
Accrued Interest Payable	382,479
Long Term Liabilities:	
Due Within One Year	4,438,650
Due in More Than One Year	<u>103,161,657</u>
<b>Total Liabilities</b>	<b><u>173,876,728</u></b>
<b>Net Assets:</b>	
Invested in Capital Assets, Net of Related Debt	16,447,133
Restricted For:	
Capital Projects	407,428
Debt Service	1,873,907
Permanent Fund:	
Expendable	2,339
Nonexpendable	12,801
Other Purposes	878,676
Unrestricted	<u>2,157,873</u>
<b>Total Net Assets</b>	<b><u>\$ 21,780,157</u></b>

See accompanying notes to the basic financial statements

## KETTERING CITY SCHOOL DISTRICT

### Statement of Activities For the Fiscal Year Ended June 30, 2010

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Assets
					Governmental Activities
<b>Governmental Activities:</b>					
Instruction:					
Regular	\$ 36,080,724	\$ 552,513	\$ 7,473,371	\$ 0	\$ (28,054,840)
Special	9,075,308	34,700	3,346,402	0	(5,694,206)
Vocational	2,726,098	0	286,128	0	(2,439,970)
Adult/Continuing	80,190	42,500	98,527	0	60,837
Other Instruction	2,333,372	0	0	0	(2,333,372)
Support Services:					
Pupils	8,570,082	119,368	1,055,244	0	(7,395,470)
Instructional Staff	5,617,159	471,644	850,810	0	(4,294,705)
Board of Education	67,166	0	0	0	(67,166)
Administration	5,676,841	0	579,451	0	(5,097,390)
Fiscal Services	1,570,448	0	0	0	(1,570,448)
Business	617,931	0	0	0	(617,931)
Operation and Maintenance of Plant	8,764,444	0	598,523	83,724	(8,082,197)
Pupil Transportation	3,531,497	0	898,521	0	(2,632,976)
Central	1,895,046	0	162,603	0	(1,732,443)
Non-Instructional Services	4,730,528	1,687,589	3,081,388	0	38,449
Extracurricular Activities	1,841,347	700,425	0	0	(1,140,922)
Interest and Fiscal Charges	4,321,249	0	0	0	(4,321,249)
<b>Total Governmental Activities</b>	<b>\$ 97,499,430</b>	<b>\$ 3,608,739</b>	<b>\$ 18,430,968</b>	<b>\$ 83,724</b>	<b>(75,375,999)</b>
<b>General Revenues</b>					
Property Taxes					53,552,069
Grants and Entitlements not Restricted to Specific Programs					18,883,431
Investment Earnings					184,639
Miscellaneous					1,045,328
<b>Total General Revenues</b>					<b>73,665,467</b>
Change in Net Assets					(1,710,532)
Net Assets Beginning of Year					23,490,689
Net Assets End of Year					<b>\$ 21,780,157</b>

See accompanying notes to the basic financial statements

## KETTERING CITY SCHOOL DISTRICT

**Balance Sheet**  
**Governmental Funds**  
**June 30, 2010**

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 5,327,125	\$ 886,426	\$ 3,175,528	\$ 9,389,079
Investments	7,539,184	1,250,096	0	8,789,280
Receivables:				
Taxes	49,453,087	8,090,307	591,567	58,134,961
Accounts	42,286	0	609	42,895
Intergovernmental	34,700	0	1,312,841	1,347,541
Due from Other Funds	122,027	0	0	122,027
Interfund Loans Receivable	0	100,000	0	100,000
Inventory of Supplies at Cost	263,427	0	0	263,427
Inventory Held for Resale	0	0	50,661	50,661
Restricted Assets:				
Cash and Cash Equivalents	0	0	12,801	12,801
<b>Total Assets</b>	<b>\$ 62,781,836</b>	<b>\$ 10,326,829</b>	<b>\$ 5,144,007</b>	<b>\$ 78,252,672</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 452,422	\$ 0	\$ 523,542	\$ 975,964
Accrued Wages and Benefits	8,185,425	0	676,789	8,862,214
Intergovernmental Payable	1,763,994	0	155,103	1,919,097
Due to Other Funds	0	0	122,027	122,027
Interfund Loans Payable	0	0	100,000	100,000
Deferred Revenue	48,715,397	7,968,487	1,298,309	57,982,193
<b>Total Liabilities</b>	<b>59,117,238</b>	<b>7,968,487</b>	<b>2,875,770</b>	<b>69,961,495</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	705,634	0	494,171	1,199,805
Reserved for Supplies Inventory	263,427	0	50,661	314,088
Reserved for Property Taxes	737,690	121,820	9,459	868,969
Reserved for Endowments	0	0	12,801	12,801
Unreserved, Undesignated in:				
General Fund	1,957,847	0	0	1,957,847
Debt Service Fund	0	2,236,522	0	2,236,522
Special Revenue Funds	0	0	1,346,377	1,346,377
Capital Projects Funds	0	0	352,429	352,429
Permanent Fund	0	0	2,339	2,339
<b>Total Fund Balances</b>	<b>3,664,598</b>	<b>2,358,342</b>	<b>2,268,237</b>	<b>8,291,177</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 62,781,836</b>	<b>\$ 10,326,829</b>	<b>\$ 5,144,007</b>	<b>\$ 78,252,672</b>

See accompanying notes to the basic financial statements

## **KETTERING CITY SCHOOL DISTRICT**

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### ***Reconciliation Of Total Governmental Fund Balances To Net Assets Of Governmental Activities June 30, 2010***

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<b>Total Governmental Fund Balances</b>		\$ 8,291,177
<b><i>Amounts reported for governmental activities in the statement of net assets are different because</i></b>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		114,144,354
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.		
	Taxes Receivable - accrual basis	4,147,620
	Grants Receivable - accrual basis	716,201
	Total	<u>4,863,821</u>
The internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net assets.		1,692,590
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
	Amounts Due Within One Year	(4,438,650)
	Amounts Due in More Than One Year	(103,161,657)
	Deferred Charges for Issuance Costs	771,001
	Accrued Interest on Long-Term Debt	<u>(382,479)</u>
	Total	<u>(107,211,785)</u>
<b><i>Net Assets of Governmental Activities</i></b>		<u><u>\$ 21,780,157</u></u>

See accompanying notes to the basic financial statements

## **KETTERING CITY SCHOOL DISTRICT**

### **Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Fiscal Year Ended June 30, 2010**

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 45,982,170	\$ 6,287,573	\$ 544,244	\$ 52,813,987
Tuition and Fees	368,068	0	395,763	763,831
Transportation	34,700	0	0	34,700
Interest	182,825	0	1,814	184,639
Sales	0	0	1,687,589	1,687,589
Intergovernmental	26,619,538	1,130,104	9,749,981	37,499,623
Extracurricular Activities	56,502	0	626,513	683,015
Classroom Materials and Fees	4,764	0	176,509	181,273
Miscellaneous	557,670	0	745,989	1,303,659
<b>Total Revenue</b>	<b>73,806,237</b>	<b>7,417,677</b>	<b>13,928,402</b>	<b>95,152,316</b>
<b>Expenditures:</b>				
Current:				
Regular	34,201,523	0	1,556,438	35,757,961
Special	6,100,808	0	3,011,546	9,112,354
Vocational	2,471,938	0	131,243	2,603,181
Adult/Continuing	0	0	80,097	80,097
Other Instruction	2,286,766	0	43,914	2,330,680
Supporting Services:				
Pupils	6,851,231	0	1,819,296	8,670,527
Instructional Staff	4,681,449	0	874,673	5,556,122
Board of Education	67,089	0	0	67,089
Administration	5,748,227	5,381	57,578	5,811,186
Fiscal Services	1,494,161	71,942	6,270	1,572,373
Business	610,037	0	375	610,412
Operation and Maintenance of Plant	8,410,576	0	346,849	8,757,425
Pupil Transportation	3,208,582	0	239,925	3,448,507
Central	1,831,405	0	26,462	1,857,867
Non-Instructional Services	100,469	0	4,580,347	4,680,816
Extracurricular Activities	1,266,392	0	400,999	1,667,391
Facility Acquisition and Construction	47,499	0	411,918	459,417
Debt Service:				
Principal Retirement	466,975	3,055,027	0	3,522,002
Interest and Fiscal Charges	39,269	4,325,217	0	4,364,486
<b>Total Expenditures</b>	<b>79,884,396</b>	<b>7,457,567</b>	<b>13,587,930</b>	<b>100,929,893</b>

## **KETTERING CITY SCHOOL DISTRICT**

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	(6,078,159)	(39,890)	340,472	(5,777,577)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	343,500	343,500
Transfers Out	(13,500)	(330,000)	0	(343,500)
<b>Total Other Financing Sources (Uses)</b>	<b>(13,500)</b>	<b>(330,000)</b>	<b>343,500</b>	<b>0</b>
Net Change in Fund Balance	(6,091,659)	(369,890)	683,972	(5,777,577)
<b>Fund Balances at Beginning of Year</b>	9,760,916	2,728,232	1,585,597	14,074,745
Decrease in Inventory Reserve	(4,659)	0	(1,332)	(5,991)
<b>Fund Balances End of Year</b>	<b>\$ 3,664,598</b>	<b>\$ 2,358,342</b>	<b>\$ 2,268,237</b>	<b>\$ 8,291,177</b>

See accompanying notes to the basic financial statements



## **KETTERING CITY SCHOOL DISTRICT**

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***Reconciliation Of The Statement Of Revenues, Expenditures  
And Changes In Fund Balances Of Governmental Funds  
To The Statement Of Activities  
For The Fiscal Year Ended June 30, 2010***

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**Net Change in Fund Balances - Total Governmental Funds** \$ (5,777,577)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. (1,710,690)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 636,582

The repayment of principal of long-term debt consumes current financial resources of governmental funds, but does not have any effect on net assets. 3,522,002

In the statement of activities, interest is accrued on outstanding bonds whereas in governmental funds, an interest expenditure is reported when due. 43,237

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 66,140

The internal service fund is used by management to charge the costs of services to individual funds and is not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities. 1,509,774

***Change in Net Assets of Governmental Activities*** \$ (1,710,532)

See accompanying notes to the basic financial statements

*KETTERING CITY SCHOOL DISTRICT*

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## **KETTERING CITY SCHOOL DISTRICT**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Fiscal Year Ended June 30, 2010**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 46,625,812	\$ 46,625,812	\$ 48,234,652	\$ 1,608,840
Tuition and Fees	387,267	258,600	367,818	109,218
Transportation	0	75,000	0	(75,000)
Interest	185,050	500,000	175,757	(324,243)
Intergovernmental	28,027,069	26,366,069	26,619,538	253,469
Extracurricular Activities	59,490	53,600	56,502	2,902
Classroom Material and Fees	5,015	4,000	4,764	764
Miscellaneous	488,605	363,000	464,067	101,067
Total Revenues	75,778,308	74,246,081	75,923,098	1,677,017
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	35,683,447	34,467,989	34,514,656	(46,667)
Special	6,290,510	6,836,314	6,084,468	751,846
Vocational	2,491,546	2,314,369	2,409,937	(95,568)
Other Instruction	2,371,258	2,782,534	2,293,589	488,945
Support Services:				
Pupils	7,063,106	7,002,111	6,831,758	170,353
Instructional Staff	4,791,504	4,584,455	4,634,561	(50,106)
Board of Education	72,572	92,994	70,195	22,799
Administration	6,079,066	5,777,382	5,879,950	(102,568)
Fiscal Services	1,561,095	1,995,296	1,509,962	485,334
Business	624,479	607,986	604,025	3,961
Operation and Maintenance of Plant	9,248,621	8,856,970	8,945,688	(88,718)
Pupil Transportation	3,393,587	3,192,932	3,282,432	(89,500)
Central	2,018,428	2,026,505	1,952,316	74,189
Non-Instructional Services	117,973	141,991	114,109	27,882
Extracurricular Activities	1,304,832	1,311,028	1,262,093	48,935
Facility Acquisition and Construction	63,201	69,882	61,131	8,751
Debt Service:				
Principal Retirement	466,848	466,848	466,848	0
Interest and Fiscal Charges	41,934	41,934	39,396	2,538
Total Expenditures	83,684,007	82,569,520	80,957,114	1,612,406

## KETTERING CITY SCHOOL DISTRICT

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,905,699)	(8,323,439)	(5,034,016)	3,289,423
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	14,985	14,985	14,985	0
Transfers Out	(13,500)	(13,500)	(13,500)	0
Advances In	26,200	26,200	26,200	0
Refund of Prior Year's Expenditures	30,000	30,000	53,165	23,165
Refund of Prior Year's Receipts	(1,000)	(1,000)	(1,217)	(217)
Total Other Financing Sources (Uses):	56,685	56,685	79,633	22,948
Net Change in Fund Balance	(7,849,014)	(8,266,754)	(4,954,383)	3,312,371
Fund Balance at Beginning of Year	15,594,636	15,594,636	15,594,636	0
Prior Year Encumbrances	1,163,511	1,163,511	1,163,511	0
Fund Balance at End of Year	\$ 8,909,133	\$ 8,491,393	\$ 11,803,764	\$ 3,312,371

See accompanying notes to the basic financial statements

## **KETTERING CITY SCHOOL DISTRICT**

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***Statement of Net Assets***  
***Proprietary Fund***  
***June 30, 2010***

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	<u>Governmental Activities - Internal Service Funds</u>
<b>Assets:</b>	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 2,710,885
<b>Total Assets</b>	<u>2,710,885</u>
<b>Liabilities:</b>	
<i>Current Liabilities:</i>	
Claims Payable	1,018,295
<b>Total Liabilities</b>	<u>1,018,295</u>
<b>Net Assets:</b>	
Unrestricted	1,692,590
<b>Total Net Assets</b>	<u><u>\$ 1,692,590</u></u>

See accompanying notes to the basic financial statements

## **KETTERING CITY SCHOOL DISTRICT**

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***Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Fund  
For the Fiscal Year Ended June 30, 2010***

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	Governmental Activities - Internal Service Funds
<b>Operating Revenues:</b>	
Charges for Services	\$ 5,925,760
<b>Total Operating Revenues</b>	<u>5,925,760</u>
<b>Operating Expenses:</b>	
Purchased Services	622,034
Claims Expense	3,793,988
<b>Total Operating Expenses</b>	<u>4,416,022</u>
Operating Income	1,509,738
<b>Nonoperating Revenue (Expenses):</b>	
Interest	<u>36</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>36</u>
Change in Net Assets	1,509,774
Net Assets Beginning of Year	<u>182,816</u>
Net Assets End of Year	<u>\$ 1,692,590</u>

See accompanying notes to the basic financial statements

## **KETTERING CITY SCHOOL DISTRICT**

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***Statement of Cash Flows***  
***Proprietary Fund***  
***For the Fiscal Year Ended June 30, 2010***

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	Governmental Activities - Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Interfund Charges	\$5,925,760
Cash Payments for Goods and Services	(622,034)
Cash Payments for Claims	<u>(3,007,597)</u>
Net Cash Provided by Operating Activities	<u>2,296,129</u>
<u>Cash Flows from Investing Activities:</u>	
Receipts of Interest	<u>36</u>
Net Cash Provided by Investing Activities	<u>36</u>
Net Increase in Cash and Cash Equivalents	2,296,165
Cash and Cash Equivalents at Beginning of Year	<u>414,720</u>
Cash and Cash Equivalents at End of Year	<u><u>\$2,710,885</u></u>
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income	\$1,509,738
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Claims Payable	<u>786,391</u>
Total Adjustments	<u>786,391</u>
Net Cash Provided by Operating Activities	<u><u>\$2,296,129</u></u>

See accompanying notes to the basic financial statements

## **KETTERING CITY SCHOOL DISTRICT**

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***Statement of Assets and Liabilities  
Fiduciary Funds  
June 30, 2010***

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	<u>Agency Funds</u>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 188,897
<b>Total Assets</b>	<u>188,897</u>
<b>Liabilities:</b>	
Claims Payable	35,103
Due to Others	70,449
Due to Students	83,345
<b>Total Liabilities</b>	<u>\$ 188,897</u>

See accompanying notes to the basic financial statements



# KETTERING CITY SCHOOL DISTRICT

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## *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010*

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **A. Reporting Entity**

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 368.72 (FTE) classified personnel and 582.5 (FTE) certificated teaching and administrative personnel to provide services to students and other community members.

In terms of enrollment the District is the 35th largest in the State of Ohio (among 613 districts) and the third largest in Montgomery County. It currently operates nine elementary schools, two middle schools (grades 6-8), and one comprehensive high school (grades 9-12).

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 39 *"Determining Whether Certain Organizations Are Component Units"*, in that the financial statements include all organizations, activities, functions and component units for which the District (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either the District's ability to impose its will over the organization or the possibility that the organization will provide a financial benefit to, or impose a financial burden on, the District. Based on the foregoing, the District does not have any component units. The reporting entity of the District includes the following services: instructional (regular, special education, vocational, adult/continuing, other), student guidance, extracurricular activities, food service, pupil transportation and care and upkeep of grounds and buildings.

The accounting policies and financial reporting practices of the District conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of its significant accounting policies.

#### **B. Basis of Presentation - Fund Accounting**

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are grouped into the categories governmental, proprietary and fiduciary.

# KETTERING CITY SCHOOL DISTRICT

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## *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010*

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **B. Basis of Presentation - Fund Accounting** (Continued)

***Governmental Funds*** - These are funds through which most governmental functions typically are financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the District's major governmental funds:

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

**Bond Retirement Fund** - This fund is used for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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

***Proprietary Funds*** - The proprietary funds are accounted for on a "economic resources" measurement focus. This measurement focus provides that all assets and all liabilities associated with the operation of the proprietary funds are included on the balance sheet. The proprietary funds operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

**Internal Service Funds** - The internal service 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. The Dental Insurance and Health Insurance Funds account for the premiums and claims payments applicable to the employee dental and health plans.

***Fiduciary Funds*** - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations or other governments and therefore not available to support the District's own programs. The District's agency funds account for various student-managed activity programs, deposits to be utilized for background checks and for the employee's cafeteria benefits plan. The agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

# KETTERING CITY SCHOOL DISTRICT

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## *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010*

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **C. Basis of Presentation – Financial Statements**

**Government-wide Financial Statements** – The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid “doubling up” revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the School District and for each function or program of the School District’s governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

**Fund Financial Statements** – Fund financial statements report detailed information about the School District. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

# **KETTERING CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010***

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **C. Basis of Presentation – Financial Statements (Continued)**

The proprietary fund type is 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 statement of net assets. The statement of revenues, expenses and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operation.

#### **D. Basis of Accounting**

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the District is considered to be 60 days after fiscal year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Under the modified accrual basis, the following revenue sources are considered susceptible to accrual at year end: property taxes, tuition, grants and entitlements, student fees, and interest on investments.

Current property taxes measurable at June 30, 2010, and which are not intended to finance fiscal 2010 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end. Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2010 are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year end.

The accrual basis of accounting is utilized for reporting purposes by the government-wide financial statements, the proprietary funds and agency funds. Revenues are recognized when they are earned and expenses are recognized when incurred.

# KETTERING CITY SCHOOL DISTRICT

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## *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010*

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **D. Basis of Accounting** (Continued)

Pursuant to GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting," the District follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

**Revenues – Exchange and Non-exchange Transactions** – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

#### **E. Budgetary Process**

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 appropriation resolution are subject to amendment throughout the year.

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The primary level of budgetary control is at the fund level for all funds of the District except the General Fund which is at the object level. Supplemental budgetary modifications may only be made by resolution of the Board of Education.

# KETTERING CITY SCHOOL DISTRICT

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## *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010*

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **E. Budgetary Process** (Continued)

##### 1. Estimated Resources

Prior to April 1, the Board accepts by formal resolution, the tax rates as determined by the County 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 the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported as the final budgeted amount on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year 2010.

##### 2. Appropriations

A temporary appropriation measure to control expenditures may be passed on or about July 1 of each year for the period July 1 through September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 through June 30. The appropriation resolution establishes spending controls at the fund level except for the general fund which is budgeted at the object level. The appropriation resolution may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by management. During the year, several supplemental appropriations were necessary to budget the use of contingency funds. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual" are provided on the financial statement basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

##### 3. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as reservations of fund balances for governmental funds in the accompanying basic financial statements.

**KETTERING CITY SCHOOL DISTRICT**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process** (Continued)

4. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

5. Budgetary Basis of Accounting

The District's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. Encumbrances are recorded as the equivalent of expenditures (budgetary basis) as opposed to reservations of fund balance (GAAP basis).

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

Net Change in Fund Balance	General Fund
GAAP Basis (as reported)	(\$6,091,659)
Increase (Decrease):	
Accrued Revenues at June 30, 2010, received during FY 2011	(841,192)
Accrued Revenues at June 30, 2009, received during FY 2010	3,051,186
Accrued Expenditures at June 30, 2010, paid during FY 2011	10,401,841
Accrued Expenditures at June 30, 2009, paid during FY 2010	(10,316,503)
Encumbrances Outstanding	(1,158,056)
Budget Basis	(\$4,954,383)

# KETTERING CITY SCHOOL DISTRICT

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## *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010*

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **F. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits and investments with original maturities of less than three months.

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 4, "Cash, Cash Equivalents and Investments."

#### **G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the District records all its investments at fair value. See Note 4, "Cash, Cash Equivalents and Investments."

The District has invested funds in the STAR Ohio during 2010. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2010. Also, the District invested in repurchase agreements which are valued at cost, and U.S. Government securities which are stated at fair value. See Note 4, "Cash, Cash Equivalents and Investments."

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 2010 totaled \$182,825, which includes \$47,534 assigned from other District funds, and \$1,814 was credited to other governmental funds of the District.

#### **H. Inventory**

Inventory is stated at cost (first-in, first-out) in the governmental funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased.



# **KETTERING CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010***

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **I. Capital Assets and Depreciation**

Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,500.

##### **1. Property, Plant and Equipment - Governmental Activities**

Governmental activities capital assets are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at fair market value at the date received. Infrastructure capital assets (e.g., driveways, fencing, retaining walls and other assets that are immovable and of value only to the District) are capitalized if the cost or estimated historical cost to purchase or construct equals or exceeds \$2,500. Governmental activities capital asset values were initially determined by identifying historical costs where such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

##### **2. Depreciation**

All capital assets, other than land and construction in progress, are depreciated. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (in years)</u>
Buildings and Improvements	80
Furniture, Vehicles and Equipment	5-20

#### **J. Long-Term Obligations**

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Debt Service Fund
Capital Leases	General Fund
Early Retirement Incentive	General Fund
Compensated Absences	General Fund, Food Services Fund, Pathfinder/Preschool Fund, Special Enterprise Fund, Auxiliary Services Fund, Public School Preschool Fund, Adult Basic Education Fund, EESA Title VI-B Fund, Title I Fund

# **KETTERING CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010***

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **K. Compensated Absences**

GASB Statement No. 16 specifies that compensated absences should be accrued as employees earn them 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. The District includes in its liabilities any employee who has at least 20 years of service or an employee who has five years of service and is at least 60 years of age.

Compensated absences accumulated by governmental fund type employees are reported as an expense when earned in the government-wide financial statements. For governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not recorded.

#### **L. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net Assets restricted for Other Purposes include restricted state and federal grants.

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

#### **M. Pensions**

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred.

# KETTERING CITY SCHOOL DISTRICT

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## *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010*

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **N. Interfund Activity**

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

#### **O. Restricted Assets**

Restricted assets in the permanent fund represent cash and cash equivalents restricted based upon applicable trust agreements. A fund balance reserve has also been established for this amount.

#### **P. Reservations of Fund Balance**

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for endowments, property taxes, supplies inventory and encumbered amounts which have not been accrued at year end. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles, but not available for appropriation under State statute.

#### **Q. Estimates**

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

#### **R. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are interfund charges for the internal service funds. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

## **KETTERING CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010***

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#### **NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government – wide statement of activities. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

*Amount by which depreciation exceeded capital outlays in the current period:*

Capital Asset Additions	\$352,477
Depreciation Expense	(2,063,167)
	<u>(\$1,710,690)</u>

*Governmental revenues not reported in the funds:*

Increase in Delinquent Tax Revenue	\$738,082
Decrease in Grants Receivable	(101,500)
	<u>\$636,582</u>

*Net amount of long-term debt issuance and bond and lease principal payments:*

Bond Principal Payment	\$3,055,027
Capital Lease Payment	466,975
	<u>\$3,522,002</u>

*Interest expense not reported in the funds:*

Increase in accrued interest on long term debt	(\$24,506)
Amortization of Deferred Charges	(36,714)
Amortization of Deferred Loss on Defeasance	(158,701)
Amortization of Bond Premium	263,158
	<u>\$43,237</u>

*Expenses not reported in the funds:*

Increase in compensated absences	(\$65,869)
Decrease in early retirement incentive	138,000
Decrease in supplies inventory	(5,991)
	<u>\$66,140</u>

**KETTERING CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

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**NOTE 3 – COMPLIANCE AND ACCOUNTABILITY**

**A. Fund Deficits**

The following is a summary of deficit fund equities at June 30, 2010:

<u>Fund</u>	<u>Deficit Fund Equity</u>
Special Revenue Funds:	
Rotary Special Services Fund	\$115,357
Public School Preschool Fund	1,137
EESA Title VI-B Fund	141,760
Bilingual Education Fund	4,329
Title I Fund	14,843
Preschool Grant Fund	72

The deficits arise from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. Other deficits also existed under the budgetary/cash basis of accounting. The General Fund often provides operating transfers when cash is required, not when accruals occur.

**B. Excess of Expenditures Plus Encumbrances Over Final Appropriations**

For the fiscal year ended June 30, 2010, expenditures plus encumbrances exceeded appropriations in the General Fund at the Refund of Prior Year Receipts object level by \$217.

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## ***KETTERING CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010***

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#### **NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments. In addition, investments are separately held by a number of individual funds.

Statutes require the classification of funds held by the District into three categories. Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the District. Such funds must be maintained either as cash in the District Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

**KETTERING CITY SCHOOL DISTRICT**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010***

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**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**A. Deposits**

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. The District has no formal policy on custodial credit risk and is governed by Ohio Revised Code as described under Deposits. Protection of District cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the District places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end the carrying amount of the District's deposits was \$5,181,024 and the bank balance was \$5,301,234. The Federal Deposit Insurance Corporation (FDIC) covered \$850,342 of the bank balance and \$4,450,892 was uninsured. Of the remaining uninsured bank balance, the District was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the District's name	<u>\$4,450,892</u>
Total Balance	<u><u>\$4,450,892</u></u>

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**KETTERING CITY SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**B. Investments**

The District's investments at June 30, 2010 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
Repurchase Agreements	\$1,394,033	N/A	\$1,394,033	\$0	\$0
STAR Ohio	5,726,605	AAAm <sup>1</sup>	5,726,605	0	0
FHLB	4,522,542	AAA <sup>1</sup> , Aaa <sup>2</sup>	1,283,076	2,227,276	1,012,190
FNMA	4,166,769	AAA <sup>1</sup> , Aaa <sup>2</sup>	783,425	375,524	3,007,820
FFCB	99,969	AAA <sup>1</sup> , Aaa <sup>2</sup>	99,969	0	0
Total Investments	<u>\$15,909,918</u>		<u>\$9,287,108</u>	<u>\$2,602,800</u>	<u>\$4,020,010</u>

<sup>1</sup> Standard & Poor's

<sup>2</sup> Moody's Investor Service

*Interest Rate Risk* – The District's investment policy mitigates interest rate risk by following Ohio Revised Code, which generally limits security purchases to those that mature within five years of settlement date.

*Credit Risk* – The District follows the Ohio Revised Code (ORC) which limits the amount of credit risk it's going to allow any district to become involved in. It accomplishes this by compiling a specific list of investments, to the exclusion of all other investments, which school districts are legally allowed to participate in.

*Concentration of Credit Risk* – The District places no limit on the amount the District may invest in one issuer. Of the District's total investments, 8.76% are repurchase agreements, 35.99% are STAR Ohio, 28.43% are FHLB, 26.19% are FNMA, and .63% are FFCB.

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Of the District's investment in repurchase agreements, the entire balance is collateralized by underlying securities pledged by the investment's counterparty, not in the name of the District. The District has no formal policy on custodial credit risk and is governed by Ohio Revised Code as described under Deposits.



# KETTERING CITY SCHOOL DISTRICT

## Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010

### NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

#### C. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the financial statements is based on criteria set forth in GASB Statement No. 9. Certificates of deposit with an original maturity of three months or less are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

	Cash & Cash Equivalents/ Deposits *	Investments
Per GASB Statement No. 9	\$12,301,662	\$8,789,280
Repurchase Agreements	(1,394,033)	1,394,033
STAR Ohio	(5,726,605)	5,726,605
Per GASB Statement No. 3	<u>\$5,181,024</u>	<u>\$15,909,918</u>

\* - Includes restricted cash

### NOTE 5 - PROPERTY TAXES

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

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the District. Real property taxes (other than public utility) collected during 2010 were levied after April 1, 2009 on assessed values as of January 1, 2009, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made the third year following reappraisal. The last revaluation was completed in 2008. Real property taxes are payable annually or semi-annually. The first payment is due December 31, with the remainder payable by June 20.

## **KETTERING CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010***

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#### **NOTE 5 - PROPERTY TAXES (Continued)**

Tangible personal property tax revenues received in 2010 (other than public utility property) represent the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009 on values as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. House Bill No. 66 was to hold districts harmless by replacing a portion of the revenue lost by the District due to the phasing out of the tax. In fiscal years 2006-2009, the District was fully reimbursed for the lost revenue. In fiscal years 2010-2018, the District will not be reimbursed for the lost revenue.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The School District receives property taxes from Montgomery County. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2010, are available to finance fiscal year 2010 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2010 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2010 was \$737,690 in the general fund, \$121,820 in the debt service fund, and \$9,459 in the permanent improvement capital projects fund.

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

**KETTERING CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

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**NOTE 5 - PROPERTY TAXES (Continued)**

The assessed values upon which the fiscal year 2010 taxes were collected are:

	2009 Second Half Collections	2010 First Half Collections
Agricultural/Residential and Other Real Estate	\$1,287,214,020	\$1,307,881,230
Public Utility Personal	67,124,670	72,380,190
Tangible Personal Property	6,132,430	1,002,490
Total Assessed Value	<u>\$1,360,471,120</u>	<u>\$1,381,263,910</u>
Tax rate per \$1,000 of assessed valuation	\$72.20	\$73.10

**NOTE 6 - RECEIVABLES**

Receivables at June 30, 2010 consisted of taxes, accounts receivable and intergovernmental receivables. 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.

**NOTE 7 - TRANSFERS**

Following is a summary of transfers in and out for all funds at June 30, 2010:

Fund	Transfer In	Transfer Out
General Fund	\$0	\$13,500
Bond Retirement Fund	0	330,000
Other Governmental Funds	343,500	0
Total All Funds	<u>\$343,500</u>	<u>\$343,500</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## **KETTERING CITY SCHOOL DISTRICT**

### **Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010**

#### **NOTE 8 - INTERFUND BALANCES**

Following is a summary of interfund receivables/payables for all funds at June 30, 2010:

Fund	Interfund Loans Receivable	Interfund Loans Payable
Bond Retirement Fund	\$100,000	\$0
Other Governmental Funds	0	100,000
Totals	\$100,000	\$100,000

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$122,027	\$0
Other Governmental Funds	0	122,027
Totals	\$122,027	\$122,027

The Interfund Loan is a short-term loan arising from timing differences. Due to/from other funds represent normal balances between funds that occur due to timing differences.

#### **NOTE 9 - CAPITAL ASSETS**

Summary by category of changes in governmental activities capital assets at June 30, 2010:

<i>Historical Cost:</i>	June 30, 2009	Additions	Deletions	June 30, 2010
Class				
<b>Capital assets not being depreciated:</b>				
Land	\$466,616	\$0	\$0	\$466,616
<b>Capital assets being depreciated:</b>				
Buildings and Improvements	136,196,566	0	0	136,196,566
Furniture, Vehicles and Equipment	7,743,505	352,477	0	8,095,982
Total Cost	\$144,406,687	\$352,477	\$0	\$144,759,164
<b>Accumulated Depreciation:</b>				
Class	June 30, 2009	Additions	Deletions	June 30, 2010
Buildings and Improvements	(\$23,984,746)	(\$1,702,457)	\$0	(\$25,687,203)
Furniture, Vehicles and Equipment	(4,566,897)	(360,710)	0	(4,927,607)
Total Depreciation	(\$28,551,643)	(\$2,063,167) *	\$0	(\$30,614,810)
<b>Net Value:</b>	\$115,855,044			\$114,144,354

# **KETTERING CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010***

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### **NOTE 9 - CAPITAL ASSETS (Continued)**

\* Depreciation expenses were charged to governmental functions as follows:

Instruction:	
Regular	\$1,096,442
Special	39,833
Vocational	63,932
Support Services:	
Pupils	16,970
Instructional Staff	57,139
Administration	154,317
Fiscal	241
Operations & Maintenance of Plant	84,634
Pupil Transportation	210,927
Central	26,896
Other Noninstructional Services	130,857
Extracurricular Activities	180,979
Total Depreciation Expense	<u><u>\$2,063,167</u></u>

### **NOTE 10 - DEFINED BENEFIT PENSION PLANS**

All of the District's full-time employees participate in one of two separate retirement systems which are cost-sharing, multiple-employer defined benefit pension plans.

#### **A. School Employee Retirement System**

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. Interested parties may obtain a copy by making a written request to SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (800) 878-5853. It is also posted on SERS' website, [www.ohsers.org](http://www.ohsers.org), under Employers/Audit Resources.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2010, 12.78 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and

## **KETTERING CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010***

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#### **NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)**

##### **A. School Employee Retirement System** (Continued)

may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009 and 2008 were \$1,421,001, \$1,121,498 and \$1,069,649 respectively, which were equal to the required contributions for each year.

##### **B. State Teachers Retirement System**

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

## **KETTERING CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010***

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#### **NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)**

##### **B. State Teachers Retirement System** (Continued)

Funding Policy - For the fiscal year ended June 30, 2010, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2009, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009, and 2008 were \$5,519,927, \$5,312,032, and \$5,087,314 respectively; which were equal to the required contributions for each year. Contributions to the DC and Combined Plans for fiscal year 2010 were \$228,603 made by the District and \$163,288 made by the plan members.

#### **NOTE 11 - POSTEMPLOYMENT BENEFITS**

##### **A. School Employee Retirement System**

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

## **KETTERING CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010***

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#### **NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)**

##### **A. School Employee Retirement System (Continued)**

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2010, 0.46 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2010, this amount was \$35,800.

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

The District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$241,469, \$690,596, and \$737,343 respectively; which were equal to the required contributions for each year.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2010, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008 were \$97,847, \$92,533, and \$77,515 respectively; which were equal to the required contributions for each year.

##### **B. State Teachers Retirement System**

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2010, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$424,610, \$408,618, and \$391,332 respectively; which were equal to the required contributions for each year.



**KETTERING CITY SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

**NOTE 12- LONG-TERM DEBT AND OTHER OBLIGATIONS**

Detail of the changes in the long-term debt of the District for the year ended June 30, 2010 is as follows:

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010	Amount Due Within One Year
2003 School Improvement	\$18,900,000	\$0	(\$1,970,000)	\$16,930,000	\$2,035,000
2004 School Improvement	1,855,000	0	(345,000)	1,510,000	355,000
2005 School Improvement Refunding	10,539,989	0	(590,000)	9,949,989	620,000
2006 School Improvement Refunding	9,604,994	0	(35,000)	9,569,994	35,000
2007 School Improvement Refunding	56,589,996	0	(35,000)	56,554,996	35,000
2002 Energy Conservation	657,758	0	(80,027)	577,731	84,276
Sub-Total General Obligation Bonds	98,147,737	0	(3,055,027)	95,092,710	3,164,276
Interest Accretion	155,897	41,216	0	197,113	0
Deferred Loss on Defeasance	(2,087,187)	0	158,701	(1,928,486)	(158,701)
Premium General Obligation Bonds	5,453,303	0	(263,158)	5,190,145	263,158
Total General Obligation Bonds	101,669,750	41,216	(3,159,484)	98,551,482	3,268,733
Capital Leases Payable	1,115,843	0	(466,975)	648,868	476,507
Early Retirement Incentive	276,000	0	(138,000)	138,000	138,000
Compensated Absences	8,196,088	8,261,957	(8,196,088)	8,261,957	693,410
Total Governmental Long-Term Debt	<u>\$111,257,681</u>	<u>\$8,303,173</u>	<u>(\$11,960,547)</u>	<u>\$107,600,307</u>	<u>\$4,576,650</u>

**2003 School Improvement Bond**

Purpose: Finance new construction and renovations at each of the District's 12 schools.  
 Original Issue Amount: \$87,400,000  
 Issue Date: 2003  
 Payment Dates: June 1 and December 1  
 Interest Rate: 3% at June 30, 2010; rate changes 3.15% in 2011  
 3.3% in 2012, 3.5% in 2014 and 5% from 2015 - 2030  
 Maturity Date: 2030

**2004 School Improvement Bond**

Purpose: Finance new construction and renovations at each of the District's 12 schools.  
 Original Issue Amount: \$15,000,000  
 Issue Date: 2004  
 Payment Dates: June 1 and December 1  
 Interest Rate: 3% at June 30, 2010; rate changes 3.5% in 2011, 3.75% in 2012, 4% from 2013-  
 2015  
 Maturity Date: 2015

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## **KETTERING CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010***

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#### **NOTE 12- LONG-TERM DEBT AND OTHER OBLIGATIONS (Continued)**

##### **2005 School Improvement Refunding Bond**

Purpose:	To advance refund 2003 School Improvement Bond
Original Issue Amount:	\$12,149,989
Issue Date:	2005
Payment Dates:	June 1 and December 1
Interest Rate:	3% at June 30, 2010; rate changes to 3.25% in 2011, 3.5% in 2012, and 5% from 2015 - 2022
Maturity Date:	2022

##### **2006 School Improvement Refunding Bond**

Purpose:	To partially refund 2003 School Improvement Bond
Original Issue Amount:	\$9,639,994
Issue Date:	2006
Payment Dates:	June 1 and December 1
Interest Rate:	4% at June 30, 2010; rate changes to 4.05% in 2016 and 4.375% in 2018,
Maturity Date:	2031

##### **2007 School Improvement Refunding Bond**

Purpose:	To partially refund portions of the 2003 & 2004 School Improvement Bonds
Original Issue Amount:	\$57,359,996
Issue Date:	2007
Payment Dates:	June 1 and December 1
Interest Rate:	4.0% at June 30, 2010; rate changes to 4.05% in 2015, 4% in 2016, 5% in 2017, 4.75% in 2019, 4.25% in 2024 and 5.25% from 2027 - 2032
Maturity Date:	2032

##### **2002 Energy Conservation Bond**

Purpose:	Finance renovations that will significantly reduce energy consumption at the District's facilities.
Original Issue Amount:	\$1,200,000
Issue Date:	2002
Payment Dates:	December 1
Interest Rate:	5.31%
Maturity Date:	2015

## **KETTERING CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010***

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#### **NOTE 12- LONG-TERM DEBT AND OTHER OBLIGATIONS (Continued)**

##### **A. Principal and Interest Requirements**

A summary of the District's future long-term debt funding requirements including principal and interest payments as of June 30, 2010, follows:

Years	General Obligation Bonds		
	Principal	Interest	Total
2011	\$3,164,276	\$4,223,495	\$7,387,771
2012	2,998,741	4,129,476	7,128,217
2013	3,538,464	4,024,294	7,562,758
2014	3,658,427	3,878,348	7,536,775
2015	3,518,650	4,057,850	7,576,500
2016-2020	20,659,152	16,703,338	37,362,490
2021-2025	23,765,000	10,688,600	34,453,600
2026-2030	26,705,000	5,038,235	31,743,235
2031-2032	7,085,000	223,439	7,308,439
Totals	<u>\$95,092,710</u>	<u>\$52,967,075</u>	<u>\$148,059,785</u>

##### **B. Defeased Debt**

In November 2006, the District partially refunded \$9,640,000 of General Obligation Bonds for School Improvement Series 2003, dated March 27, 2003, through the issuance of \$9,639,994 of General Obligation Bonds. The net proceeds of the 2006 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$9,640,000 at June 30, 2010, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding.

In March 2007, the District partially refunded \$45,960,000 of General Obligation Bonds for School Improvement Series 2003, dated March 27, 2003, and partially refunded \$11,400,000 of General Obligation Bonds for School Improvement Series 2004, dated April 29, 2004, through the issuance of \$57,359,996 of General Obligation Bonds. The net proceeds of the 2009 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have outstanding balances of \$45,960,000 and \$11,400,000, respectively, at June 30, 2010, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding.

# **KETTERING CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010***

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### **NOTE 12- LONG-TERM DEBT AND OTHER OBLIGATIONS (Continued)**

#### **C. Early Retirement Incentive**

During 2006, the Board of Education offered an early retirement incentive to those individuals that met the following criteria:

- a) The employee must be currently eligible for service retirement in accordance with rules of the State Teachers Retirement System (STRS).
- b) The employee must be under contract and a member of the bargaining unit and must have completed a minimum of ten years of service with the Board.
- c) The employee must actually retire and receive benefits from STRS no later than August 1, 2006.
- d) The employee must not already be receiving retirement benefits from the STRS.

If all of the conditions were met the District would establish a Health Reimbursement Arrangement (HRA) on behalf of the employees and their spouses. Each qualifying employee will receive a tax sheltered HRA totaling \$30,000 to be paid in equal annual installments beginning on or around August 15<sup>th</sup> for a period of 5 years. 23 employees took advantage of the Board's offer.

### **NOTE 13 - CAPITAL LEASE COMMITMENTS**

The District is party to five leases, two for school buses, one for a telephone system and two technology leases (computer equipment) that meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease as one which transfers benefits and risks of ownership to the lessee. The costs of the leased assets are accounted for in the Governmental Activities Capital Assets and the related liabilities in the Governmental Activities Long-Term Liabilities. The original costs of the assets under capital lease are \$481,648 for the school buses, \$653,538 for the phone system, and \$1,155,270 for the technology equipment. The leased assets are recorded as furniture, vehicles and equipment within the Capital Asset Footnote.

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2010:

<u>Year Ending June 30,</u>	<u>Capital Leases</u>
2011	\$504,461
2012	177,476
Minimum Lease Payments	681,937
Less: Amount representing interest at the District's incremental borrowing rate of interest	(33,069)
Present value of minimum lease payments	<u>\$648,868</u>

## ***KETTERING CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010***

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#### **NOTE 14 - 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 2010, the District contracted with Ohio Casualty 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 Ohio Casualty through Brower Insurance Agency and holds a \$5,000 occurrence deductible.

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

The District has earthquake (\$5,000,000 limit) and flood (\$1,000,000 limit) insurance with Ohio Casualty through Brower Insurance Agency.

The District has a \$10,000,000 limit umbrella policy with \$10,000 self insured with Ohio Casualty through Brower Insurance Agency.

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

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

The District provides life insurance and accidental death and dismemberment insurance to most employees through Prudential Life Insurance Company. The District provided employee medical/surgical benefits through Anthem Blue Cross/Blue Shield's Community Choice Plan through December 31, 2009. Beginning January 1, 2010 the District became self insured for medical/surgical benefits.

The District has a Section 125 Plan for employee liabilities arising in connection with the Employee Benefits Self-Insurance Program. This program is also accounted for as an Agency Fund. The District records liabilities for the Employee Self-Insurance Fund for incurred but not reported claims, which represent employee out-of-pocket expenses processed but not paid.

The District is self-insured for employee dental care benefits and became self-insured for health benefits on January 1, 2010. The dental program is administered by CoreSource, which provides claims review and processing services. The health program is administered by United Health Care, which provides claims review and processing services. Both of the self-insurance programs are accounted for as Internal Service Funds.

**KETTERING CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

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**NOTE 14 - RISK MANAGEMENT (Continued)**

Changes in the dental fund's claims liability amount in 2010 and 2009 were:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2009	\$214,891	\$895,832	(\$878,819)	\$231,904
2010	231,904	922,584	(914,193)	240,295

Changes in the health fund's claims liability amount in 2010 were:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2010	\$0	\$2,871,404	(\$2,093,404)	\$778,000

**NOTE 15 – STATUTORY RESERVES**

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2010, the reserve activity (cash-basis) was as follows:

	Textbook Reserve	Capital Acquisition Reserve
Set-aside Cash Balance as of June 30, 2009	\$0	\$0
Carryover Balance from Prior Year	(1,810,176)	0
Current Year Set-Aside Requirement	1,221,980	1,221,980
Current Year Offset Credits	0	0
Qualifying Disbursements	(1,100,046)	(2,168,395)
Totals	<u>(\$1,688,242)</u>	<u>(\$946,415)</u>
Qualifying Carryover Amounts to FY 2011	<u>(\$1,688,242)</u>	<u>(\$104,000,000)</u>

Qualifying carryover amount to fiscal year 2010 cannot exceed (\$104,000,000) for capital acquisition set-aside. The \$104,000,000 represents the debt issuances from fiscal years 1998 and 2003.

## ***KETTERING CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010***

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#### **NOTE 16 - CONTINGENCIES**

##### **A. Grants**

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement 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, 2010.

##### **B. Litigation**

The District is not a party to any legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects as of June 30, 2010.

***KETTERING CITY SCHOOL DISTRICT***

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***COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES***

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***THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE  
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS.***



# ***KETTERING CITY SCHOOL DISTRICT***

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## ***Nonmajor Governmental Funds***

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### ***Special Revenue Funds***

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

#### **Food Services Fund**

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

#### **Special Trust Fund**

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.

#### **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.

#### **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 Fund**

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

#### **Special Enterprise Fund**

To account for the financial transactions related to the child care program called "morning and afternoon supervision program". This fund also accounts for building rental revenue associated with Trent Arena.

#### **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.

(Continued)

# ***KETTERING CITY SCHOOL DISTRICT***

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## ***Special Revenue Funds***

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### **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.

### **Data Communications Fund**

A fund used to account for monies received for the maintenance of the Ohio Educational Computer Network connections.

### **District Professional Development Fund**

To account for the District's professional development.

### **OhioReads Fund**

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

### **Alternative Fund**

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

### **Other State Funds Fund**

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

### **Adult Basic Education Fund**

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

### **Title II Fund**

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

### **Education for Economic Security Act (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.

(Continued)

# ***KETTERING CITY SCHOOL DISTRICT***

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## ***Special Revenue Funds***

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### **Carl D. Perkins 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.

### **State Fiscal Stabilization Fund**

To account for federal revenues received from the American Recovery and Reinvestment Act (ARRA) to help stabilize state and local budgets in order to minimize and avoid reductions in education and other essential services.

### **Technology Title II-D Fund**

To account for federal revenues received to be used for technology.

### **Bilingual Education Fund**

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

### **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 I Fund**

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

### **Title VI Innovation Fund**

To account for federal revenues which support the implementation of computer education programs, gifted and talented programs, in-service training and staff development. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

### **Drug Free School Grant Fund**

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

### **Preschool Grant Fund**

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

### **Other Federal Programs Fund**

To account for the activities of systemic grants, classrooms reduction grant, America Reads program, and school to work program.

## ***KETTERING CITY SCHOOL DISTRICT***

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### ***Capital Projects Funds***

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The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

#### **Permanent Improvement Fund**

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

#### **Building Fund**

A fund to account for financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds.

#### **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.

### ***Permanent Fund***

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The Permanent Fund is used to account for the financial resources that are legally restricted in that only the earnings, not the principal, may be used to support the District's programs.

#### **Permanent Fund**

A fund used to account for money, securities, or lands which have been set aside as an investment for public school purposes. The income from such a fund may be expended, but the principal must remain intact.

**KETTERING CITY SCHOOL DISTRICT**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2010**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 2,457,019	\$ 716,170	\$ 2,339	\$ 3,175,528
Receivables:				
Taxes	0	591,567	0	591,567
Accounts	609	0	0	609
Intergovernmental	1,312,841	0	0	1,312,841
Inventory Held for Resale	50,661	0	0	50,661
Restricted Assets:				
Cash and Cash Equivalents	0	0	12,801	12,801
<b>Total Assets</b>	<u>\$ 3,821,130</u>	<u>\$ 1,307,737</u>	<u>\$ 15,140</u>	<u>\$ 5,144,007</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 166,744	\$ 356,798	\$ 0	\$ 523,542
Accrued Wages and Benefits	676,789	0	0	676,789
Intergovernmental Payable	155,103	0	0	155,103
Due to Other Funds	122,027	0	0	122,027
Interfund Loans Payable	100,000	0	0	100,000
Deferred Revenue	716,201	582,108	0	1,298,309
<b>Total Liabilities</b>	<u>1,936,864</u>	<u>938,906</u>	<u>0</u>	<u>2,875,770</u>
<b>Fund Balances:</b>				
Reserved for Encumbrances	487,228	6,943	0	494,171
Reserved for Supplies Inventory	50,661	0	0	50,661
Reserved for Property Taxes	0	9,459	0	9,459
Reserved for Endowments	0	0	12,801	12,801
Unreserved, Undesignated in:				
Special Revenue Funds	1,346,377	0	0	1,346,377
Capital Projects Funds	0	352,429	0	352,429
Permanent Fund	0	0	2,339	2,339
<b>Total Fund Balances</b>	<u>1,884,266</u>	<u>368,831</u>	<u>15,140</u>	<u>2,268,237</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,821,130</u>	<u>\$ 1,307,737</u>	<u>\$ 15,140</u>	<u>\$ 5,144,007</u>

## KETTERING CITY SCHOOL DISTRICT

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 0	\$ 544,244	\$ 0	\$ 544,244
Tuition and Fees	395,763	0	0	395,763
Interest	1,305	491	18	1,814
Sales	1,687,589	0	0	1,687,589
Intergovernmental	9,666,257	83,724	0	9,749,981
Extracurricular Activities	626,513	0	0	626,513
Classroom Materials and Fees	176,509	0	0	176,509
Miscellaneous	662,407	83,582	0	745,989
<b>Total Revenue</b>	<b>13,216,343</b>	<b>712,041</b>	<b>18</b>	<b>13,928,402</b>
<b>Expenditures:</b>				
Current:				
Regular	1,516,281	40,157	0	1,556,438
Special	3,011,546	0	0	3,011,546
Vocational	131,243	0	0	131,243
Adult/Continuing	80,097	0	0	80,097
Other Instruction	43,914	0	0	43,914
Supporting Services:				
Pupils	1,728,420	90,876	0	1,819,296
Instructional Staff	874,123	0	550	874,673
Administration	56,985	593	0	57,578
Fiscal Services	0	6,270	0	6,270
Business	375	0	0	375
Operation and Maintenance of Plant	53,948	292,901	0	346,849
Pupil Transportation	12,522	227,403	0	239,925
Central	26,462	0	0	26,462
Non-Instructional Services	4,580,347	0	0	4,580,347
Extracurricular Activities	400,999	0	0	400,999
Facility Acquisition and Construction	80,570	331,348	0	411,918
<b>Total Expenditures</b>	<b>12,597,832</b>	<b>989,548</b>	<b>550</b>	<b>13,587,930</b>
Excess (Deficiency) of Revenues Over Expenditures	618,511	(277,507)	(532)	340,472
<b>Other Financing Sources (Uses):</b>				
Transfers In	13,500	330,000	0	343,500
<b>Total Other Financing Sources (Uses)</b>	<b>13,500</b>	<b>330,000</b>	<b>0</b>	<b>343,500</b>
Net Change in Fund Balance	632,011	52,493	(532)	683,972
<b>Fund Balances at Beginning of Year</b>	<b>1,253,587</b>	<b>316,338</b>	<b>15,672</b>	<b>1,585,597</b>
Decrease in Inventory Reserve	(1,332)	0	0	(1,332)
<b>Fund Balances End of Year</b>	<b>\$ 1,884,266</b>	<b>\$ 368,831</b>	<b>\$ 15,140</b>	<b>\$ 2,268,237</b>

**KETTERING CITY SCHOOL DISTRICT**

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2010**

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	<u>Food Services</u>	<u>Special Trust</u>	<u>Uniform School Supplies</u>	<u>Rotary Special Services</u>	<u>Public School Support</u>
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 965,425	\$ 78,947	\$ 69,641	\$ 0	\$ 225,395
Receivables:					
Accounts	0	0	120	0	0
Intergovernmental	0	0	0	0	0
Inventory Held for Resale	<u>50,661</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Assets</b>	<u><u>\$ 1,016,086</u></u>	<u><u>\$ 78,947</u></u>	<u><u>\$ 69,761</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 225,395</u></u>
<b>Liabilities:</b>					
Accounts Payable	\$ 24,108	\$ 18	\$ 5,493	\$ 0	\$ 788
Accrued Wages and Benefits	141,602	0	0	0	0
Intergovernmental Payable	65,998	0	0	0	0
Due to Other Funds	0	0	0	15,357	0
Interfund Loans Payable	0	0	0	100,000	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Liabilities</b>	<u>231,708</u>	<u>18</u>	<u>5,493</u>	<u>115,357</u>	<u>788</u>
<b>Fund Balances:</b>					
Reserved for Encumbrances	35,404	282	51,791	50	6,251
Reserved for Supplies Inventory	50,661	0	0	0	0
Unreserved, Undesignated in:					
Special Revenue Funds (Deficit)	<u>698,313</u>	<u>78,647</u>	<u>12,477</u>	<u>(115,407)</u>	<u>218,356</u>
<b>Total Fund Balances (Deficit)</b>	<u>784,378</u>	<u>78,929</u>	<u>64,268</u>	<u>(115,357)</u>	<u>224,607</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 1,016,086</u></u>	<u><u>\$ 78,947</u></u>	<u><u>\$ 69,761</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 225,395</u></u>

**KETTERING CITY SCHOOL DISTRICT**

Pathfinder/ Preschool	Special Enterprise	Athletic	Auxiliary Services	Education Management Information System	Public School Preschool
\$ 206,473	\$ 148,777	\$ 186,028	\$ 285,208	\$ 11,642	\$ 1,517
0	489	0	0	0	0
0	0	0	111,438	0	0
0	0	0	0	0	0
<u>\$ 206,473</u>	<u>\$ 149,266</u>	<u>\$ 186,028</u>	<u>\$ 396,646</u>	<u>\$ 11,642</u>	<u>\$ 1,517</u>
\$ 15	\$ 1,859	\$ 6,894	\$ 28,657	\$ 0	\$ 0
14,424	33,072	0	77,691	0	2,654
4,485	13,476	0	10,173	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>18,924</u>	<u>48,407</u>	<u>6,894</u>	<u>116,521</u>	<u>0</u>	<u>2,654</u>
1,559	5,168	3,427	25,667	11,642	215
0	0	0	0	0	0
185,990	95,691	175,707	254,458	0	(1,352)
<u>187,549</u>	<u>100,859</u>	<u>179,134</u>	<u>280,125</u>	<u>11,642</u>	<u>(1,137)</u>
<u>\$ 206,473</u>	<u>\$ 149,266</u>	<u>\$ 186,028</u>	<u>\$ 396,646</u>	<u>\$ 11,642</u>	<u>\$ 1,517</u>

(Continued)



## KETTERING CITY SCHOOL DISTRICT

***Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2010***

	Data Communications	District Professional Development	OhioReads	Alternative	Other State Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 11,063	\$ 107	\$ 6,283	\$ 1,300	\$ 23,310
Receivables:					
Accounts	0	0	0	0	0
Intergovernmental	0	0	0	2,328	10,992
Inventory Held for Resale	0	0	0	0	0
<b>Total Assets</b>	<b>\$ 11,063</b>	<b>\$ 107</b>	<b>\$ 6,283</b>	<b>\$ 3,628</b>	<b>\$ 34,302</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 363	\$ 0
Accrued Wages and Benefits	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Due to Other Funds	0	0	0	0	0
Interfund Loans Payable	0	0	0	0	0
Deferred Revenue	0	0	0	2,328	756
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,691</b>	<b>756</b>
<b>Fund Balances:</b>					
Reserved for Encumbrances	11,000	0	0	2,465	3,256
Reserved for Supplies Inventory	0	0	0	0	0
Unreserved, Undesignated in:					
Special Revenue Funds (Deficit)	63	107	6,283	(1,528)	30,290
<b>Total Fund Balances (Deficit)</b>	<b>11,063</b>	<b>107</b>	<b>6,283</b>	<b>937</b>	<b>33,546</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 11,063</b>	<b>\$ 107</b>	<b>\$ 6,283</b>	<b>\$ 3,628</b>	<b>\$ 34,302</b>

**KETTERING CITY SCHOOL DISTRICT**

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Adult Basic Education	Title II	EESA Title VI-B	Carl D. Perkins	State Fiscal Stabilization	Technology Title II-D
\$ 0	\$ 13,569	\$ 0	\$ 86,731	\$ 49,242	\$ 393
0	0	0	0	0	0
29,174	151,340	357,162	0	0	981
0	0	0	0	0	0
<u>\$ 29,174</u>	<u>\$ 164,909</u>	<u>\$ 357,162</u>	<u>\$ 86,731</u>	<u>\$ 49,242</u>	<u>\$ 1,374</u>
\$ 87	\$ 9,684	\$ 21,146	\$ 3,985	\$ 0	\$ 0
10,146	10,476	192,906	0	0	0
2,676	0	30,759	0	0	0
11,523	0	61,013	0	0	0
0	0	0	0	0	0
304	104,909	193,098	0	0	981
<u>24,736</u>	<u>125,069</u>	<u>498,922</u>	<u>3,985</u>	<u>0</u>	<u>981</u>
496	104,518	100,549	66,429	0	300
0	0	0	0	0	0
3,942	(64,678)	(242,309)	16,317	49,242	93
4,438	39,840	(141,760)	82,746	49,242	393
<u>\$ 29,174</u>	<u>\$ 164,909</u>	<u>\$ 357,162</u>	<u>\$ 86,731</u>	<u>\$ 49,242</u>	<u>\$ 1,374</u>

(Continued)

**KETTERING CITY SCHOOL DISTRICT**

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**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2010**

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	Bilingual Education	Even Start Program	Title I	Drug Free School Grant	Preschool Grant
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 74,522	\$ 0	\$ 1,263
Receivables:					
Accounts	0	0	0	0	0
Intergovernmental	27,049	112,262	469,744	21,029	19,342
Inventory Held for Resale	0	0	0	0	0
<b>Total Assets</b>	<u>\$ 27,049</u>	<u>\$ 112,262</u>	<u>\$ 544,266</u>	<u>\$ 21,029</u>	<u>\$ 20,605</u>
<b>Liabilities:</b>					
Accounts Payable	\$ 7,234	\$ 0	\$ 54,803	\$ 0	\$ 1,610
Accrued Wages and Benefits	0	24,830	164,480	0	4,508
Intergovernmental Payable	0	3,523	23,279	0	734
Due to Other Funds	301	25,706	0	8,127	0
Interfund Loans Payable	0	0	0	0	0
Deferred Revenue	23,843	50,585	316,547	9,025	13,825
<b>Total Liabilities</b>	<u>31,378</u>	<u>104,644</u>	<u>559,109</u>	<u>17,152</u>	<u>20,677</u>
<b>Fund Balances:</b>					
Reserved for Encumbrances	11,759	12,693	22,031	10,276	0
Reserved for Supplies Inventory	0	0	0	0	0
Unreserved, Undesignated in:					
Special Revenue Funds (Deficit)	(16,088)	(5,075)	(36,874)	(6,399)	(72)
<b>Total Fund Balances (Deficit)</b>	<u>(4,329)</u>	<u>7,618</u>	<u>(14,843)</u>	<u>3,877</u>	<u>(72)</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 27,049</u>	<u>\$ 112,262</u>	<u>\$ 544,266</u>	<u>\$ 21,029</u>	<u>\$ 20,605</u>

**KETTERING CITY SCHOOL DISTRICT**

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Other Federal Programs	Total Nonmajor Special Revenue Funds
\$ 10,183	\$ 2,457,019
0	609
0	1,312,841
0	50,661
\$ 10,183	\$ 3,821,130
\$ 0	\$ 166,744
0	676,789
0	155,103
0	122,027
0	100,000
0	716,201
0	1,936,864
0	487,228
0	50,661
10,183	1,346,377
10,183	1,884,266
\$ 10,183	\$ 3,821,130

## KETTERING CITY SCHOOL DISTRICT

### *Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds For the Fiscal Year Ended June 30, 2010*

	Food Services	Special Trust	Uniform School Supplies	Rotary Special Services	Public School Support
<b>Revenues:</b>					
Tuition and Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest	757	45	0	0	313
Sales	1,687,589	0	0	0	0
Intergovernmental	1,592,440	0	0	0	0
Extracurricular Activities	0	11,839	0	7,791	212,561
Classroom Materials and Fees	0	0	160,945	0	15,564
Miscellaneous	1,705	4,764	0	42,500	50,290
<b>Total Revenue</b>	3,282,491	16,648	160,945	50,291	278,728
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	0	0	132,471	0	77,744
Special	0	0	0	0	0
Vocational	0	0	4,976	52,171	0
Adult/Continuing	0	0	0	0	0
Other Instruction	0	0	0	0	0
Supporting Services:					
Pupils	0	0	0	0	145,010
Instructional Staff	0	14,516	0	0	6,691
Administration	0	0	0	0	38,500
Business	375	0	0	0	0
Operation and Maintenance of Plant	22,307	0	0	0	115
Pupil Transportation	0	0	0	0	0
Central	0	0	0	0	0
Non-Instructional Services	3,182,342	0	0	0	0
Extracurricular Activities	0	0	0	0	5,716
Facility Acquisition and Construction	0	0	0	0	0
<b>Total Expenditures</b>	3,205,024	14,516	137,447	52,171	273,776
Excess (Deficiency) of Revenues Over Expenditures	77,467	2,132	23,498	(1,880)	4,952
<b>Other Financing Sources (Uses):</b>					
Transfers In	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	0	0	0	0	0
Net Change in Fund Balance	77,467	2,132	23,498	(1,880)	4,952
<b>Fund Balances at Beginning of Year</b>	708,243	76,797	40,770	(113,477)	219,655
Decrease in Inventory Reserve	(1,332)	0	0	0	0
<b>Fund Balances End of Year</b>	\$ 784,378	\$ 78,929	\$ 64,268	\$ (115,357)	\$ 224,607

## KETTERING CITY SCHOOL DISTRICT

Pathfinder/ Preschool	Special Enterprise	Athletic	Auxiliary Services	Education Management Information System	Public School Preschool
\$ 395,763	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	190	0	0
0	0	0	0	0	0
22,789	0	0	1,278,771	13,694	144,893
0	151	394,171	0	0	0
0	0	0	0	0	0
94,422	459,805	8,921	0	0	0
<u>512,974</u>	<u>459,956</u>	<u>403,092</u>	<u>1,278,961</u>	<u>13,694</u>	<u>144,893</u>
23,589	0	0	0	0	56,195
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
117,785	425,935	0	0	0	52,473
231,662	301	0	0	0	42,072
0	0	0	0	0	454
0	0	0	0	0	0
9,324	18,069	4,133	0	0	0
0	0	0	0	0	0
1,000	0	0	0	8,852	0
114,942	15,318	0	1,043,864	0	29
0	0	395,283	0	0	0
0	0	0	0	0	0
<u>498,302</u>	<u>459,623</u>	<u>399,416</u>	<u>1,043,864</u>	<u>8,852</u>	<u>151,223</u>
14,672	333	3,676	235,097	4,842	(6,330)
0	0	13,500	0	0	0
0	0	13,500	0	0	0
14,672	333	17,176	235,097	4,842	(6,330)
172,877	100,526	161,958	45,028	6,800	5,193
0	0	0	0	0	0
<u>\$ 187,549</u>	<u>\$ 100,859</u>	<u>\$ 179,134</u>	<u>\$ 280,125</u>	<u>\$ 11,642</u>	<u>\$ (1,137)</u>

(Continued)

## KETTERING CITY SCHOOL DISTRICT

### *Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds For the Fiscal Year Ended June 30, 2010*

	Data Communications	District Professional Development	OhioReads	Alternative	Other State Funds
<b>Revenues:</b>					
Tuition and Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest	0	0	0	0	0
Sales	0	0	0	0	0
Intergovernmental	27,436	0	0	24,333	32,812
Extracurricular Activities	0	0	0	0	0
Classroom Materials and Fees	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<b>Total Revenue</b>	27,436	0	0	24,333	32,812
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	0	0	0	13,950	0
Special	0	0	0	0	0
Vocational	0	0	0	0	0
Adult/Continuing	0	0	0	0	0
Other Instruction	0	0	0	0	0
Supporting Services:					
Pupils	0	0	0	2,621	21,744
Instructional Staff	0	500	0	2,130	0
Administration	0	0	0	0	0
Business	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	0
Pupil Transportation	0	0	0	0	0
Central	16,410	0	0	0	0
Non-Instructional Services	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Facility Acquisition and Construction	0	0	0	0	0
<b>Total Expenditures</b>	16,410	500	0	18,701	21,744
Excess (Deficiency) of Revenues Over Expenditures	11,026	(500)	0	5,632	11,068
<b>Other Financing Sources (Uses):</b>					
Transfers In	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	0	0	0	0	0
Net Change in Fund Balance	11,026	(500)	0	5,632	11,068
<b>Fund Balances at Beginning of Year</b>	37	607	6,283	(4,695)	22,478
Decrease in Inventory Reserve	0	0	0	0	0
<b>Fund Balances End of Year</b>	\$ 11,063	\$ 107	\$ 6,283	\$ 937	\$ 33,546

## KETTERING CITY SCHOOL DISTRICT

Adult Basic Education	Title II	EESA Title VI-B	Carl D. Perkins	State Fiscal Stabilization	Technology Title II-D
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
178,434	183,074	3,012,693	94,434	771,758	10,506
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>178,434</u>	<u>183,074</u>	<u>3,012,693</u>	<u>94,434</u>	<u>771,758</u>	<u>10,506</u>
0	0	0	0	678,602	4,999
0	0	1,627,018	0	0	0
0	0	0	74,096	0	0
80,097	0	0	0	0	0
0	0	0	0	43,914	0
89,177	10,476	718,215	0	0	0
1,528	128,159	346,202	0	0	4,486
0	0	17,373	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	195,054	0	0	628
0	0	0	0	0	0
0	0	80,570	0	0	0
<u>170,802</u>	<u>138,635</u>	<u>2,984,432</u>	<u>74,096</u>	<u>722,516</u>	<u>10,113</u>
7,632	44,439	28,261	20,338	49,242	393
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
7,632	44,439	28,261	20,338	49,242	393
(3,194)	(4,599)	(170,021)	62,408	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 4,438</u>	<u>\$ 39,840</u>	<u>\$ (141,760)</u>	<u>\$ 82,746</u>	<u>\$ 49,242</u>	<u>\$ 393</u>

(Continued)



## KETTERING CITY SCHOOL DISTRICT

### *Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds For the Fiscal Year Ended June 30, 2010*

	Bilingual Education	Even Start Program	Title I	Title VI Innovation	Drug Free School Grant
<b>Revenues:</b>					
Tuition and Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest	0	0	0	0	0
Sales	0	0	0	0	0
Intergovernmental	14,854	389,122	1,803,190	13,909	29,686
Extracurricular Activities	0	0	0	0	0
Classroom Materials and Fees	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<b>Total Revenue</b>	<u>14,854</u>	<u>389,122</u>	<u>1,803,190</u>	<u>13,909</u>	<u>29,686</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	8,668	0	513,901	3,588	2,574
Special	0	197,599	1,163,122	0	0
Vocational	0	0	0	0	0
Adult/Continuing	0	0	0	0	0
Other Instruction	0	0	0	0	0
Supporting Services:					
Pupils	12,700	71,662	37,301	0	23,321
Instructional Staff	70	60,394	25,646	0	0
Administration	0	658	0	0	0
Business	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	0
Pupil Transportation	0	2,522	10,000	0	0
Central	200	0	0	0	0
Non-Instructional Services	0	27,813	0	357	0
Extracurricular Activities	0	0	0	0	0
Facility Acquisition and Construction	0	0	0	0	0
<b>Total Expenditures</b>	<u>21,638</u>	<u>360,648</u>	<u>1,749,970</u>	<u>3,945</u>	<u>25,895</u>
Excess (Deficiency) of Revenues Over Expenditures	(6,784)	28,474	53,220	9,964	3,791
<b>Other Financing Sources (Uses):</b>					
Transfers In	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(6,784)	28,474	53,220	9,964	3,791
<b>Fund Balances at Beginning of Year</b>	2,455	(20,856)	(68,063)	(9,964)	86
Decrease in Inventory Reserve	0	0	0	0	0
<b>Fund Balances End of Year</b>	<u>\$ (4,329)</u>	<u>\$ 7,618</u>	<u>\$ (14,843)</u>	<u>\$ 0</u>	<u>\$ 3,877</u>

**KETTERING CITY SCHOOL DISTRICT**

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Preschool Grant	Other Federal Programs	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 395,763
0	0	1,305
0	0	1,687,589
27,429	0	9,666,257
0	0	626,513
0	0	176,509
0	0	662,407
<u>27,429</u>	<u>0</u>	<u>13,216,343</u>
0	0	1,516,281
23,807	0	3,011,546
0	0	131,243
0	0	80,097
0	0	43,914
0	0	1,728,420
0	9,766	874,123
0	0	56,985
0	0	375
0	0	53,948
0	0	12,522
0	0	26,462
0	0	4,580,347
0	0	400,999
0	0	80,570
<u>23,807</u>	<u>9,766</u>	<u>12,597,832</u>
3,622	(9,766)	618,511
<u>0</u>	<u>0</u>	<u>13,500</u>
<u>0</u>	<u>0</u>	<u>13,500</u>
3,622	(9,766)	632,011
(3,694)	19,949	1,253,587
0	0	(1,332)
<u>\$ (72)</u>	<u>\$ 10,183</u>	<u>\$ 1,884,266</u>

**KETTERING CITY SCHOOL DISTRICT**

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**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**June 30, 2010**

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	Permanent Improvement	Building	Replacement	Total Nonmajor Capital Projects Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 676,632	\$ 4,648	\$ 34,890	\$ 716,170
Receivables:				
Taxes	591,567	0	0	591,567
<b>Total Assets</b>	<u>\$ 1,268,199</u>	<u>\$ 4,648</u>	<u>\$ 34,890</u>	<u>\$ 1,307,737</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 356,798	\$ 0	\$ 0	\$ 356,798
Deferred Revenue	582,108	0	0	582,108
<b>Total Liabilities</b>	<u>938,906</u>	<u>0</u>	<u>0</u>	<u>938,906</u>
<b>Fund Balances:</b>				
Reserved for Encumbrances	6,943	0	0	6,943
Reserved for Property Taxes	9,459	0	0	9,459
Unreserved, Undesignated in:				
Capital Projects Funds	312,891	4,648	34,890	352,429
<b>Total Fund Balances</b>	<u>329,293</u>	<u>4,648</u>	<u>34,890</u>	<u>368,831</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,268,199</u>	<u>\$ 4,648</u>	<u>\$ 34,890</u>	<u>\$ 1,307,737</u>

**KETTERING CITY SCHOOL DISTRICT**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2010**

	Permanent Improvement	Building	Replacement	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>				
Taxes	\$ 544,244	\$ 0	\$ 0	\$ 544,244
Interest	435	0	56	491
Intergovernmental	83,724	0	0	83,724
Miscellaneous	71,019	0	12,563	83,582
<b>Total Revenue</b>	699,422	0	12,619	712,041
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	39,502	0	655	40,157
Supporting Services:				
Pupils	90,876	0	0	90,876
Administration	593	0	0	593
Fiscal Services	6,270	0	0	6,270
Operation and Maintenance of Plant	292,901	0	0	292,901
Pupil Transportation	227,403	0	0	227,403
Facility Acquisition and Construction	5,996	325,352	0	331,348
<b>Total Expenditures</b>	663,541	325,352	655	989,548
Excess (Deficiency) of Revenues Over Expenditures	35,881	(325,352)	11,964	(277,507)
<b>Other Financing Sources (Uses):</b>				
Transfer In	0	330,000	0	330,000
<b>Total Other Financing Sources (Uses)</b>	0	330,000	0	330,000
Net Change in Fund Balance	35,881	4,648	11,964	52,493
<b>Fund Balances at Beginning of Year</b>	293,412	0	22,926	316,338
<b>Fund Balances End of Year</b>	\$ 329,293	\$ 4,648	\$ 34,890	\$ 368,831

## KETTERING CITY SCHOOL DISTRICT

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Fiscal Year Ended June 30, 2010**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 46,625,812	\$ 46,625,812	\$ 48,234,652	\$ 1,608,840
Tuition and Fees	387,267	258,600	367,818	109,218
Transportation	0	75,000	0	(75,000)
Interest	185,050	500,000	175,757	(324,243)
Intergovernmental	28,027,069	26,366,069	26,619,538	253,469
Extracurricular Activities	59,490	53,600	56,502	2,902
Classroom Materials and Fees	5,015	4,000	4,764	764
Miscellaneous	488,605	363,000	464,067	101,067
Total Revenues	75,778,308	74,246,081	75,923,098	1,677,017
<b>Expenditures:</b>				
Current:				
Salaries and Wages	51,638,648	50,044,000	49,808,657	235,343
Fringe Benefits	18,203,024	19,012,299	18,952,293	60,006
Purchased Services	8,576,744	8,690,516	7,903,385	787,131
Supplies and Materials	2,701,800	2,689,830	2,425,761	264,069
Other Expenditures	1,247,963	1,215,349	956,817	258,532
Capital Outlay - New	707,046	311,003	306,441	4,562
Capital Outlay - Replacement	100,000	97,741	97,516	225
Debt Service:				
Principal Retirement	466,848	466,848	466,848	0
Interest and Fiscal Charges	41,934	41,934	39,396	2,538
Total Expenditures	83,684,007	82,569,520	80,957,114	1,612,406
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,905,699)	(8,323,439)	(5,034,016)	3,289,423
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	14,985	14,985	14,985	0
Transfers Out	(13,500)	(13,500)	(13,500)	0
Advances In	26,200	26,200	26,200	0
Refund of Prior Year's Expenditures	30,000	30,000	53,165	23,165
Refund of Prior Year's Receipts	(1,000)	(1,000)	(1,217)	(217)
Total Other Financing Sources (Uses)	56,685	56,685	79,633	22,948
Net Change in Fund Balance	(7,849,014)	(8,266,754)	(4,954,383)	3,312,371
Fund Balance at Beginning of Year	15,594,636	15,594,636	15,594,636	0
Prior Year Encumbrances	1,163,511	1,163,511	1,163,511	0
Fund Balance at End of Year	\$ 8,909,133	\$ 8,491,393	\$ 11,803,764	\$ 3,312,371

## **KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Debt Service Fund  
For the Fiscal Year Ended June 30, 2010***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 7,587,673</u>	<u>\$ 7,714,507</u>	<u>\$ 126,834</u>
Total Expenditures and Other Financing Uses	<u>7,811,245</u>	<u>7,787,567</u>	<u>23,678</u>
Net Change in Fund Balance	(223,572)	(73,060)	150,512
Fund Balance at Beginning of Year	<u>2,209,582</u>	<u>2,209,582</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 1,986,010</u></u>	<u><u>\$ 2,136,522</u></u>	<u><u>\$ 150,512</u></u>

## **KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 2,880,000	\$ 2,928,819	\$ 48,819
Total Expenditures and Other Financing Uses	2,964,592	2,876,172	88,420
Net Change in Fund Balance	(84,592)	52,647	137,239
Fund Balance at Beginning of Year	846,224	846,224	0
Prior Year Encumbrances	7,042	7,042	0
Fund Balance at End of Year	<u>\$ 768,674</u>	<u>\$ 905,913</u>	<u>\$ 137,239</u>

**KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

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	<b>SPECIAL TRUST FUND</b>		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	\$ 14,350	\$ 16,648	\$ 2,298
Total Expenditures and Other Financing Uses	33,050	15,736	17,314
Net Change in Fund Balance	(18,700)	912	19,612
Fund Balance at Beginning of Year	76,103	76,103	0
Prior Year Encumbrances	1,632	1,632	0
Fund Balance at End of Year	<u>\$ 59,035</u>	<u>\$ 78,647</u>	<u>\$ 19,612</u>



**KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 174,048	\$ 160,825	\$ (13,223)
Total Expenditures and Other Financing Uses	215,632	190,053	25,579
Net Change in Fund Balance	(41,584)	(29,228)	12,356
Fund Balance at Beginning of Year	22,312	22,312	0
Prior Year Encumbrances	19,273	19,273	0
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 12,357</u>	<u>\$ 12,356</u>

## **KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 70,558	\$ 50,291	\$ (20,267)
Total Expenditures and Other Financing Uses	83,375	78,515	4,860
Net Change in Fund Balance	(12,817)	(28,224)	(15,407)
Fund Balance at Beginning of Year	11,224	11,224	0
Prior Year Encumbrances	1,593	1,593	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ (15,407)</u>	<u>\$ (15,407)</u>

**KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 306,448	\$ 278,885	\$ (27,563)
Total Expenditures and Other Financing Uses	527,930	282,011	245,919
Net Change in Fund Balance	(221,482)	(3,126)	218,356
Fund Balance at Beginning of Year	209,702	209,702	0
Prior Year Encumbrances	11,780	11,780	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 218,356</u>	<u>\$ 218,356</u>

## **KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 423,810	\$ 515,504	\$ 91,694
Total Expenditures and Other Financing Uses	424,229	499,644	(75,415)
Net Change in Fund Balance	(419)	15,860	16,279
Fund Balance at Beginning of Year	188,620	188,620	0
Prior Year Encumbrances	419	419	0
Fund Balance at End of Year	<u>\$ 188,620</u>	<u>\$ 204,899</u>	<u>\$ 16,279</u>

## **KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 412,900	\$ 459,467	\$ 46,567
Total Expenditures and Other Financing Uses	510,442	476,974	33,468
Net Change in Fund Balance	(97,542)	(17,507)	80,035
Fund Balance at Beginning of Year	144,559	144,559	0
Prior Year Encumbrances	14,698	14,698	0
Fund Balance at End of Year	<u>\$ 61,715</u>	<u>\$ 141,750</u>	<u>\$ 80,035</u>

## **KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 505,124	\$ 416,592	\$ (88,532)
Total Expenditures and Other Financing Uses	683,164	419,025	264,139
Net Change in Fund Balance	(178,040)	(2,433)	175,607
Fund Balance at Beginning of Year	168,190	168,190	0
Prior Year Encumbrances	9,950	9,950	0
Fund Balance at End of Year	<u>\$ 100</u>	<u>\$ 175,707</u>	<u>\$ 175,607</u>

## **KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,170,604</u>	<u>\$ 1,170,605</u>	<u>\$ 1</u>
Total Expenditures and Other Financing Uses	<u>1,388,895</u>	<u>1,163,065</u>	<u>225,830</u>
Net Change in Fund Balance	(218,291)	7,540	225,831
Fund Balance at Beginning of Year	137,879	137,879	0
Prior Year Encumbrances	<u>85,465</u>	<u>85,465</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 5,053</u></u>	<u><u>\$ 230,884</u></u>	<u><u>\$ 225,831</u></u>

**KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 13,694	\$ 13,694	\$ 0
Total Expenditures and Other Financing Uses	22,494	22,494	0
Net Change in Fund Balance	(8,800)	(8,800)	0
Fund Balance at Beginning of Year	12	12	0
Prior Year Encumbrances	8,788	8,788	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



## **KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 148,000</u>	<u>\$ 148,000</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>164,124</u>	<u>162,744</u>	<u>1,380</u>
Net Change in Fund Balance	(16,124)	(14,744)	1,380
Fund Balance at Beginning of Year	14,803	14,803	0
Prior Year Encumbrances	<u>1,243</u>	<u>1,243</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (78)</u>	<u>\$ 1,302</u>	<u>\$ 1,380</u>

**KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 27,436	\$ 27,436	\$ 0
Total Expenditures and Other Financing Uses	27,436	27,410	26
Net Change in Fund Balance	0	26	26
Fund Balance at Beginning of Year	37	37	0
Fund Balance at End of Year	<u>\$ 37</u>	<u>\$ 63</u>	<u>\$ 26</u>

**KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Net Change in Fund Balance	(1,000)	(1,000)	0
Fund Balance at Beginning of Year	107	107	0
Prior Year Encumbrances	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 107</u></u>	<u><u>\$ 107</u></u>	<u><u>\$ 0</u></u>

**KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 0	\$ 0	\$ 0
Total Expenditures and Other Financing Uses	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	6,283	6,283	0
Fund Balance at End of Year	<u>\$ 6,283</u>	<u>\$ 6,283</u>	<u>\$ 0</u>

## **KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

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	<b>ALTERNATIVE FUND</b>		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	\$ 26,659	\$ 24,333	\$ (2,326)
Total Expenditures and Other Financing Uses	27,606	26,945	661
Net Change in Fund Balance	(947)	(2,612)	(1,665)
Fund Balance at Beginning of Year	(9,953)	(9,953)	0
Prior Year Encumbrances	11,037	11,037	0
Fund Balance at End of Year	<u>\$ 137</u>	<u>\$ (1,528)</u>	<u>\$ (1,665)</u>

## **KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

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	<b>OTHER STATE FUNDS</b>		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>                    </u>
Total Revenues and Other Financing Sources	<u>\$ 37,628</u>	<u>\$ 26,636</u>	<u>\$ (10,992)</u>
Total Expenditures and Other Financing Uses	<u>25,020</u>	<u>25,020</u>	<u>0</u>
Net Change in Fund Balance	12,608	1,616	(10,992)
Fund Balance at Beginning of Year	<u>18,438</u>	<u>18,438</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 31,046</u></u>	<u><u>\$ 20,054</u></u>	<u><u>\$ (10,992)</u></u>

**KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 178,737	\$ 149,564	\$ (29,173)
Total Expenditures and Other Financing Uses	186,761	165,996	20,765
Net Change in Fund Balance	(8,024)	(16,432)	(8,408)
Fund Balance at Beginning of Year	2,552	2,552	0
Prior Year Encumbrances	1,774	1,774	0
Fund Balance at End of Year	<u>\$ (3,698)</u>	<u>\$ (12,106)</u>	<u>\$ (8,408)</u>

**KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

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	<b>TITLE II FUND</b>		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Total Revenues and Other Financing Sources	\$ 288,095	\$ 136,643	\$ (151,452)
Total Expenditures and Other Financing Uses	314,756	248,110	66,646
Net Change in Fund Balance	(26,661)	(111,467)	(84,806)
Fund Balance at Beginning of Year	(23,892)	(23,892)	0
Prior Year Encumbrances	34,726	34,726	0
Fund Balance at End of Year	\$ (15,827)	\$ (100,633)	\$ (84,806)



**KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

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<b>EESA TITLE VI-B FUND</b>			Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Total Revenues and Other Financing Sources	\$ 3,684,631	\$ 2,848,629	\$ (836,002)
Total Expenditures and Other Financing Uses	3,735,303	3,082,007	653,296
Net Change in Fund Balance	(50,672)	(233,378)	(182,706)
Fund Balance at Beginning of Year	33,310	33,310	0
Prior Year Encumbrances	17,360	17,360	0
Fund Balance at End of Year	\$ (2)	\$ (182,708)	\$ (182,706)

**KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 91,923	\$ 94,434	\$ 2,511
Total Expenditures and Other Financing Uses	156,841	140,525	16,316
Net Change in Fund Balance	(64,918)	(46,091)	18,827
Fund Balance at Beginning of Year	62,408	62,408	0
Fund Balance at End of Year	<u>\$ (2,510)</u>	<u>\$ 16,317</u>	<u>\$ 18,827</u>

## **KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 722,516	\$ 771,758	\$ 49,242
Total Expenditures and Other Financing Uses	722,516	722,516	0
Net Change in Fund Balance	0	49,242	49,242
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 49,242</u>	<u>\$ 49,242</u>

**KETTERING CITY SCHOOL DISTRICT**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 11,842	\$ 10,506	\$ (1,336)
Total Expenditures and Other Financing Uses	11,946	10,413	1,533
Net Change in Fund Balance	(104)	93	197
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ (104)</u>	<u>\$ 93</u>	<u>\$ 197</u>

## **KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 40,264	\$ 13,214	\$ (27,050)
Total Expenditures and Other Financing Uses	41,235	33,480	7,755
Net Change in Fund Balance	(971)	(20,266)	(19,295)
Fund Balance at Beginning of Year	(713)	(713)	0
Prior Year Encumbrances	1,685	1,685	0
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ (19,294)</u>	<u>\$ (19,295)</u>

## **KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 439,709	\$ 327,445	\$ (112,264)
Total Expenditures and Other Financing Uses	462,951	386,534	76,417
Net Change in Fund Balance	(23,242)	(59,089)	(35,847)
Fund Balance at Beginning of Year	5,966	5,966	0
Prior Year Encumbrances	14,724	14,724	0
Fund Balance at End of Year	<u>\$ (2,552)</u>	<u>\$ (38,399)</u>	<u>\$ (35,847)</u>

## **KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

---

	<b>TITLE I FUND</b>		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 2,477,161</u>	<u>\$ 1,649,993</u>	<u>\$ (827,168)</u>
Total Expenditures and Other Financing Uses	<u>2,543,585</u>	<u>1,729,061</u>	<u>814,524</u>
Net Change in Fund Balance	(66,424)	(79,068)	(12,644)
Fund Balance at Beginning of Year	73,841	73,841	0
Prior Year Encumbrances	<u>2,915</u>	<u>2,915</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 10,332</u></u>	<u><u>\$ (2,312)</u></u>	<u><u>\$ (12,644)</u></u>

## **KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 14,054	\$ 14,054	\$ 0
Total Expenditures and Other Financing Uses	19,751	19,686	65
Net Change in Fund Balance	(5,697)	(5,632)	65
Fund Balance at Beginning of Year	(13,544)	(13,544)	0
Prior Year Encumbrances	19,176	19,176	0
Fund Balance at End of Year	<u>\$ (65)</u>	<u>\$ 0</u>	<u>\$ 65</u>



## **KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 38,767	\$ 17,682	\$ (21,085)
Total Expenditures and Other Financing Uses	40,951	38,327	2,624
Net Change in Fund Balance	(2,184)	(20,645)	(18,461)
Fund Balance at Beginning of Year	2,242	2,242	0
Fund Balance at End of Year	<u>\$ 58</u>	<u>\$ (18,403)</u>	<u>\$ (18,461)</u>

## **KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 71,558	\$ 21,912	\$ (49,646)
Total Expenditures and Other Financing Uses	72,386	23,086	49,300
Net Change in Fund Balance	(828)	(1,174)	(346)
Fund Balance at Beginning of Year	827	827	0
Fund Balance at End of Year	<u>\$ (1)</u>	<u>\$ (347)</u>	<u>\$ (346)</u>

## **KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2010***

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>11,315</u>	<u>9,831</u>	<u>1,484</u>
Net Change in Fund Balance	(11,315)	(9,831)	1,484
Fund Balance at Beginning of Year	19,954	19,954	0
Prior Year Encumbrances	<u>60</u>	<u>60</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 8,699</u></u>	<u><u>\$ 10,183</u></u>	<u><u>\$ 1,484</u></u>

## **KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2010***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 717,052	\$ 728,227	\$ 11,175
Total Expenditures and Other Financing Uses	824,573	714,585	109,988
Net Change in Fund Balance	(107,521)	13,642	121,163
Fund Balance at Beginning of Year	230,277	230,277	0
Prior Year Encumbrances	68,972	68,972	0
Fund Balance at End of Year	<u>\$ 191,728</u>	<u>\$ 312,891</u>	<u>\$ 121,163</u>

**KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2010***

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	<b>BUILDING FUND</b>		
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 330,000</u>	<u>\$ 330,000</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>330,000</u>	<u>325,352</u>	<u>4,648</u>
Net Change in Fund Balance	0	4,648	4,648
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>\$ 4,648</u></u>	<u><u>\$ 4,648</u></u>

**KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2010***

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	<b>REPLACEMENT FUND</b>		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	<u>\$ 200</u>	<u>\$ 56</u>	<u>\$ (144)</u>
Total Expenditures and Other Financing Uses	<u>159,675</u>	<u>130,330</u>	<u>29,345</u>
Net Change in Fund Balance	(159,475)	(130,274)	29,201
Fund Balance at Beginning of Year	35,489	35,489	0
Prior Year Encumbrances	<u>129,675</u>	<u>129,675</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 5,689</u></u>	<u><u>\$ 34,890</u></u>	<u><u>\$ 29,201</u></u>

## **KETTERING CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Fund  
For the Fiscal Year Ended June 30, 2010***

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	<b>PERMANENT FUND</b>		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 20</u>	<u>\$ 18</u>	<u>\$ (2)</u>
Total Expenditures and Other Financing Uses	<u>550</u>	<u>550</u>	<u>0</u>
Net Change in Fund Balance	(530)	(532)	(2)
Fund Balance at Beginning of Year	<u>15,672</u>	<u>15,672</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 15,142</u></u>	<u><u>\$ 15,140</u></u>	<u><u>\$ (2)</u></u>

# ***KETTERING CITY SCHOOL DISTRICT***

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## ***Internal Service Funds***

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Internal Service Funds are used to account for financing goods or services provided by one activity to other activities of the District on a cost-reimbursement basis.

### **Dental Insurance Fund**

To account for monies received from other funds as payment for providing dental benefits.

### **Health Insurance Fund**

To account for monies received from other funds as payment for providing medical, hospitalization or any other similar employee benefit.



**KETTERING CITY SCHOOL DISTRICT**

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***Combining Statement of Net Assets  
Internal Service Funds  
June 30, 2010***

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	<u>Dental Insurance</u>	<u>Health Insurance</u>	<u>Total</u>
<b>Assets:</b>			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ 374,442	\$ 2,336,443	\$ 2,710,885
<b>Total Assets</b>	<u>374,442</u>	<u>2,336,443</u>	<u>2,710,885</u>
<b>Liabilities:</b>			
<i>Current Liabilities:</i>			
Claims Payable	240,295	778,000	1,018,295
<b>Total Liabilities</b>	<u>240,295</u>	<u>778,000</u>	<u>1,018,295</u>
<b>Net Assets:</b>			
Unrestricted	134,147	1,558,443	1,692,590
<b>Total Net Assets</b>	<u>\$ 134,147</u>	<u>\$ 1,558,443</u>	<u>\$ 1,692,590</u>

## **KETTERING CITY SCHOOL DISTRICT**

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***Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2010***

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	<u>Dental Insurance</u>	<u>Health Insurance</u>	<u>Total</u>
<b>Operating Revenues:</b>			
Charges for Services	\$ 910,265	\$ 5,015,495	\$ 5,925,760
<b>Total Operating Revenues</b>	<u>910,265</u>	<u>5,015,495</u>	<u>5,925,760</u>
<b>Operating Expenses:</b>			
Purchased Services	36,386	585,648	622,034
Claims Expense	922,584	2,871,404	3,793,988
<b>Total Operating Expenses</b>	<u>958,970</u>	<u>3,457,052</u>	<u>4,416,022</u>
Operating Income (Loss)	(48,705)	1,558,443	1,509,738
<b>Nonoperating Revenue (Expenses):</b>			
Interest	36	0	36
<b>Total Nonoperating Revenues (Expenses)</b>	<u>36</u>	<u>0</u>	<u>36</u>
Change in Net Assets	(48,669)	1,558,443	1,509,774
Net Assets Beginning of Year	182,816	0	182,816
Net Assets End of Year	<u>\$ 134,147</u>	<u>\$ 1,558,443</u>	<u>\$ 1,692,590</u>

**KETTERING CITY SCHOOL DISTRICT**

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***Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2010***

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	<u>Dental Insurance</u>	<u>Health Insurance</u>	<u>Total</u>
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Interfund Charges	\$910,265	\$5,015,495	\$5,925,760
Cash Payments for Goods and Services	(36,386)	(585,648)	(622,034)
Cash Payments for Claims	(914,193)	(2,093,404)	(3,007,597)
Net Cash Provided (Used) by Operating Activities	<u>(40,314)</u>	<u>2,336,443</u>	<u>2,296,129</u>
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	<u>36</u>	<u>0</u>	<u>36</u>
Net Cash Provided by Investing Activities	<u>36</u>	<u>0</u>	<u>36</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(40,278)	2,336,443	2,296,165
Cash and Cash Equivalents at Beginning of Year	<u>414,720</u>	<u>0</u>	<u>414,720</u>
Cash and Cash Equivalents at End of Year	<u><u>\$374,442</u></u>	<u><u>\$2,336,443</u></u>	<u><u>\$2,710,885</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>    Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$48,705)	\$1,558,443	\$1,509,738
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Changes in Assets and Liabilities:			
Increase in Claims Payable	<u>8,391</u>	<u>778,000</u>	<u>786,391</u>
Total Adjustments	<u>8,391</u>	<u>778,000</u>	<u>786,391</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(\$40,314)</u></u>	<u><u>\$2,336,443</u></u>	<u><u>\$2,296,129</u></u>

# ***KETTERING CITY SCHOOL DISTRICT***

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## ***Fiduciary Funds***

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Fiduciary fund types 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.

### ***Agency Funds***

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#### **Student Managed Activity Fund**

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

#### **Rotary Fund**

This fund accounts for deposits to be utilized for background checks on prospective employees.

#### **Employee Benefits Fund**

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

**KETTERING CITY SCHOOL DISTRICT**

***Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2010***

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
<b><u>Student Managed Activity Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$55,988	\$161,354	(\$133,997)	\$83,345
Total Assets	\$55,988	\$161,354	(\$133,997)	\$83,345
Liabilities:				
Due to Students	\$55,988	\$161,354	(\$133,997)	\$83,345
Total Liabilities	\$55,988	\$161,354	(\$133,997)	\$83,345
<b><u>Rotary Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$3,035	\$14,076	(\$12,770)	\$4,341
Total Assets	\$3,035	\$14,076	(\$12,770)	\$4,341
Liabilities:				
Due to Others	\$3,035	\$14,076	(\$12,770)	\$4,341
Total Liabilities	\$3,035	\$14,076	(\$12,770)	\$4,341
<b><u>Employee Benefits Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$153,905	\$205,278	(\$257,972)	\$101,211
Total Assets	\$153,905	\$205,278	(\$257,972)	\$101,211
Liabilities:				
Claims Payable	\$69,620	\$35,103	(\$69,620)	\$35,103
Due to Others	84,285	170,175	(188,352)	66,108
Total Liabilities	\$153,905	\$205,278	(\$257,972)	\$101,211
<b><u>Totals - All Agency Funds</u></b>				
Assets:				
Cash and Cash Equivalents	\$212,928	\$380,708	(\$404,739)	\$188,897
Total Assets	\$212,928	\$380,708	(\$404,739)	\$188,897
Liabilities:				
Claims Payable	\$69,620	\$35,103	(\$69,620)	\$35,103
Due to Others	87,320	184,251	(201,122)	70,449
Due to Students	55,988	161,354	(133,997)	83,345
Total Liabilities	\$212,928	\$380,708	(\$404,739)	\$188,897

***KETTERING CITY SCHOOL DISTRICT***

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***CAPITAL ASSETS USED IN THE  
OPERATION OF GOVERNMENTAL FUNDS***

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**KETTERING CITY SCHOOL DISTRICT**

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***Capital Assets Used in the Operation of Governmental Funds  
Schedule by Source  
June 30, 2010***

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Capital Assets

Land	\$466,616
Buildings and Improvements	136,196,566
Furniture, Vehicles and Equipment	<u>8,095,982</u>
Total Capital Assets	<u><u>\$144,759,164</u></u>

Investment in Capital Assets from:

General Fund	\$5,819,568
Special Revenue Funds	1,132,585
Capital Project Funds	<u>137,807,011</u>
Total Investment in Capital Assets	<u><u>\$144,759,164</u></u>

**KETTERING CITY SCHOOL DISTRICT**

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***Capital Assets Used in the Operation of Governmental Funds  
Schedule by Function and Activity  
June 30, 2010***

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Function and Activity	Land	Buildings and Improvements	Furniture, Vehicles and Equipment	Total
Instructional Services				
Regular	\$458,616	\$16,794,580	\$658,923	\$17,912,119
Special	0	0	242,153	242,153
Vocational	0	0	479,353	479,353
Support Services:				
Pupils	0	0	234,621	234,621
Instructional Staff	0	0	267,702	267,702
Administration	8,000	205,000	120,461	333,461
Fiscal Services	0	0	71,693	71,693
Business	0	0	334,305	334,305
Operation and Maintenance of Plant	0	0	431,140	431,140
Pupil Transportation	0	0	2,697,721	2,697,721
Central	0	0	1,400,460	1,400,460
Non-Instructional Services	0	0	950,250	950,250
Extracurricular Activities	0	0	34,400	34,400
Facility Acquisition and Construction	0	119,196,986	172,800	119,369,786
Total Capital Assets	<u>\$466,616</u>	<u>\$136,196,566</u>	<u>\$8,095,982</u>	<u>\$144,759,164</u>



**KETTERING CITY SCHOOL DISTRICT**

***Capital Assets Used in the Operation of Governmental Funds  
Schedule of Changes by Function and Activity  
For the Fiscal Year Ended June 30, 2010***

Function and Activity	June 30, 2009	Additions	Deletions	June 30, 2010
Instructional Services				
Regular	\$17,900,442	\$11,677	\$0	\$17,912,119
Special	210,889	31,264	0	242,153
Vocational	479,353	0	0	479,353
Support Services:				
Pupils	139,448	95,173	0	234,621
Instructional Staff	267,702	0	0	267,702
Administration	333,461	0	0	333,461
Fiscal Services	68,798	2,895	0	71,693
Business	334,305	0	0	334,305
Operation and Maintenance of Plant	420,479	10,661	0	431,140
Pupil Transportation	2,697,721	0	0	2,697,721
Central	1,392,810	7,650	0	1,400,460
Non-Instructional Services	937,888	12,362	0	950,250
Extracurricular Activities	26,405	7,995	0	34,400
Facility Acquisition and Construction	119,196,986	172,800	0	119,369,786
Total Capital Assets	<u>\$144,406,687</u>	<u>\$352,477</u>	<u>\$0</u>	<u>\$144,759,164</u>

*STATISTICAL SECTION*

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# KETTERING CITY SCHOOL DISTRICT

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## STATISTICAL TABLES

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

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### Contents

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<b>Financial Trends</b>	S 2 – S 13
These schedules contain trend information to help the reader understand how the District's financial position has changed over time.	
<b>Revenue Capacity</b>	S 14 – S 21
These schedules contain information to help the reader understand and assess the factors affecting the District's ability to generate its most significant local revenue source, property tax.	
<b>Debt Capacity</b>	S 22 – S 29
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
<b>Economic and Demographic Information</b>	S 30 – S 35
These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
<b>Operating Information</b>	S 36 – S 49
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

#### Sources Note:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

## *Kettering City School District*

*Net Assets by Component  
Last Eight Years  
(accrual basis of accounting)*

	2003	2004	2005	2006
<b>Governmental Activities</b>				
Invested in Capital Assets, Net of Related Debt	\$14,371,663	\$20,269,335	\$8,537,315	\$10,572,943
Restricted for:				
Capital Projects	0	0	0	755,941
Debt Service	5,097,769	2,299,876	2,144,839	2,649,523
Permanent	0	0	0	14,133
Other Purposes	1,928,915	1,987,718	1,821,150	936,280
Unrestricted (Deficit)	(592,847)	(8,420,717)	6,892,084	6,700,355
Total Governmental Activities Net Assets	<u>\$20,805,500</u>	<u>\$16,136,212</u>	<u>\$19,395,388</u>	<u>\$21,629,175</u>

Source: District Treasurer's Office

Note: District did not implement GASB 34 prior to 2003.

*Kettering City School District*

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<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$11,380,187	\$14,042,346	\$14,593,555	\$16,447,133
645,202	621,820	316,338	407,428
4,356,490	2,524,780	2,058,605	1,873,907
14,866	15,468	15,672	15,140
589,735	444,932	492,031	878,676
4,671,211	4,329,914	6,014,488	2,157,873
<u>\$21,657,691</u>	<u>\$21,979,260</u>	<u>\$23,490,689</u>	<u>\$21,780,157</u>

## *Kettering City School District*

*Changes in Net Assets  
Last Eight Years  
(accrual basis of accounting)*

	2003	2004	2005	2006
<b>Expenses</b>				
Governmental Activities				
Instruction				
Regular	\$27,787,301	\$30,173,674	\$30,303,175	\$30,026,305
Special	5,615,537	6,597,531	7,195,031	7,592,499
Vocational	1,854,566	1,882,912	1,938,656	1,989,974
Adult/Continuing	39,572	47,683	40,025	28,453
Other Instruction	1,680,376	2,032,719	2,193,266	3,546,792
Support Services				
Pupils	5,251,197	5,840,364	6,012,755	6,183,114
Instructional Staff	3,934,628	4,118,932	4,293,737	4,473,685
Board of Education	64,558	47,482	1,551,467	58,880
Administration	5,501,734	6,257,514	6,220,245	6,280,987
Fiscal Services	1,358,463	1,570,031	1,521,850	1,723,088
Business	838,218	1,280,184	371,627	519,187
Operation and Maintenance of Plant	7,021,493	7,077,799	7,434,445	7,491,277
Pupil Transportation	2,621,551	2,887,069	3,013,238	2,731,380
Central	1,374,618	1,229,421	1,356,202	1,090,013
Non-Instructional Services	3,831,599	3,973,750	4,305,313	4,051,744
Extracurricular Activities	1,547,392	1,576,132	1,604,609	1,457,996
Interest and Fiscal Charges	2,865,622	4,855,798	4,942,861	5,098,030
<i>Total Primary Government Expenses</i>	<u>\$73,188,425</u>	<u>\$81,448,995</u>	<u>\$84,298,502</u>	<u>\$84,343,404</u>
<b>Program Revenues</b>				
Governmental Activities				
Charges for Services				
Instruction	\$584,140	\$587,682	\$691,270	\$606,868
Support Services				
Pupils	354,237	427,550	367,062	0
Instructional Staff	9,468	21,491	10,800	400,010
Administration	0	256,369	21,253	30,252
Non-Instructional Services	1,518,383	1,569,095	1,688,221	1,759,386
Extracurricular Activities	357,006	352,994	419,602	475,612
Operating Grants and Contributions	15,710,262	5,085,821	6,609,782	6,807,693
Capital Grants and Contributions	210,254	75,676	197,400	80,770
<i>Total Primary Government Program Revenues</i>	<u>18,743,750</u>	<u>8,376,678</u>	<u>10,005,390</u>	<u>10,160,591</u>

*Kettering City School District*

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2007	2008	2009	2010
\$33,962,450	\$33,619,843	\$35,494,431	\$36,080,724
7,999,070	7,840,416	8,267,476	9,075,308
2,047,759	2,091,488	2,206,443	2,726,098
34,254	37,255	41,716	80,190
4,373,656	4,253,666	2,706,076	2,333,372
6,663,259	6,520,008	7,662,489	8,570,082
4,749,251	4,766,122	4,710,916	5,617,159
66,612	68,541	73,370	67,166
6,822,367	6,889,537	6,918,465	5,676,841
1,796,626	1,899,405	1,894,159	1,570,448
595,008	612,826	574,690	617,931
7,812,668	8,595,610	8,463,308	8,764,444
3,077,737	3,421,844	3,319,938	3,531,497
1,733,260	1,723,029	1,772,667	1,895,046
4,797,572	4,774,211	4,724,183	4,730,528
1,733,777	1,862,353	2,000,014	1,841,347
3,929,935	4,644,799	4,423,719	4,321,249
<u>\$92,195,261</u>	<u>\$93,620,953</u>	<u>\$95,254,060</u>	<u>\$97,499,430</u>
\$743,534	\$810,466	\$583,226	\$629,713
0	0	0	119,368
401,284	674,654	513,678	471,644
49,277	46,140	51,507	0
1,831,394	1,792,888	1,767,093	1,687,589
666,435	509,738	488,330	700,425
6,776,987	8,391,295	9,363,594	18,430,968
111,299	158,018	72,312	83,724
<u>10,580,210</u>	<u>12,383,199</u>	<u>12,839,740</u>	<u>22,123,431</u>

(Continued)



**Kettering City School District**

*Changes in Net Assets  
Last Eight Years  
(accrual basis of accounting)*

	2003	2004	2005	2006
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(54,444,675)	(73,072,317)	(74,293,112)	(74,182,813)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$54,444,675)</u>	<u>(\$73,072,317)</u>	<u>(\$74,293,112)</u>	<u>(\$74,182,813)</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental Activities				
Property Taxes Levied for				
General Purposes	\$40,776,276	\$49,123,574	\$58,078,104	\$57,412,021
Grants and Entitlements not				
Restricted to Specific Programs	5,489,380	17,028,707	16,296,597	16,595,607
Investment Earnings	1,252,041	1,520,926	1,462,565	1,100,764
Miscellaneous	884,864	729,822	1,715,022	1,308,188
<i>Total Primary Government</i>	<u>\$48,402,561</u>	<u>\$68,403,029</u>	<u>\$77,552,288</u>	<u>\$76,416,580</u>
<b>Change in Net Assets</b>				
<i>Total Primary Government Change in Net Assets</i>	<u>(\$6,042,114)</u>	<u>(\$4,669,288)</u>	<u>\$3,259,176</u>	<u>\$2,233,767</u>

Source: District Treasurer's Office

Note: District did not implement GASB 34 prior to 2003.

*Kettering City School District*

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<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>(81,615,051)</u>	<u>(81,237,754)</u>	<u>(82,414,320)</u>	<u>(75,375,999)</u>
<u><u>(81,615,051)</u></u>	<u><u>(81,237,754)</u></u>	<u><u>(82,414,320)</u></u>	<u><u>(75,375,999)</u></u>
\$60,149,130	\$58,323,623	\$57,874,816	\$53,552,069
18,921,497	21,120,885	24,253,458	18,883,431
1,670,128	1,215,189	654,210	184,639
902,832	899,626	1,143,265	1,045,328
<u>\$81,643,587</u>	<u>\$81,559,323</u>	<u>\$83,925,749</u>	<u>\$73,665,467</u>
<u><u>\$28,536</u></u>	<u><u>\$321,569</u></u>	<u><u>\$1,511,429</u></u>	<u><u>(\$1,710,532)</u></u>

## *Kettering City School District*

*Fund Balances, Governmental Funds  
Last Ten Years  
(modified accrual basis of accounting)*

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Fund				
Reserved	\$3,701,927	\$8,801,259	\$3,678,456	\$2,715,843
Unreserved	13,568,207	16,236,270	15,063,090	9,521,796
<i>Total General Fund</i>	<u>17,270,134</u>	<u>25,037,529</u>	<u>18,741,546</u>	<u>12,237,639</u>
All Other Governmental Funds				
Reserved	1,583,956	2,085,150	18,996,210	42,631,958
Unreserved, Undesignated in:				
Special Revenue Funds	830,730	945,663	1,372,663	1,459,620
Debt Service Fund	0	0	0	0
Capital Projects Funds	808,038	541,481	71,281,465	35,045,102
Permanent Fund	943,955	0	444	567
<i>Total All Other Governmental Funds</i>	<u>4,166,679</u>	<u>3,572,294</u>	<u>91,650,782</u>	<u>79,137,247</u>
<i>Total Governmental Funds</i>	<u>\$21,436,813</u>	<u>\$28,609,823</u>	<u>\$110,392,328</u>	<u>\$91,374,886</u>

Source: District Treasurer's Office

*Kettering City School District*

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<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$4,723,857	\$3,617,142	\$3,604,839	\$4,124,451	\$3,963,090	\$1,706,751
<u>7,880,070</u>	<u>5,953,358</u>	<u>5,757,962</u>	<u>4,261,563</u>	<u>5,797,826</u>	<u>1,957,847</u>
<u>12,603,927</u>	<u>9,570,500</u>	<u>9,362,801</u>	<u>8,386,014</u>	<u>9,760,916</u>	<u>3,664,598</u>
17,372,528	4,114,077	1,524,602	1,104,400	677,325	688,912
1,198,474	1,401,577	1,131,065	1,233,206	1,070,848	1,346,377
0	0	4,035,349	2,914,350	2,309,582	2,236,522
4,685,394	1,295,510	134,847	176,958	253,203	352,429
<u>752</u>	<u>1,312</u>	<u>2,065</u>	<u>2,667</u>	<u>2,871</u>	<u>2,339</u>
<u>23,257,148</u>	<u>6,812,476</u>	<u>6,827,928</u>	<u>5,431,581</u>	<u>4,313,829</u>	<u>4,626,579</u>
<u>\$35,861,075</u>	<u>\$16,382,976</u>	<u>\$16,190,729</u>	<u>\$13,817,595</u>	<u>\$14,074,745</u>	<u>\$8,291,177</u>

## *Kettering City School District*

*Changes in Fund Balances, Governmental Funds  
Last Ten Years  
(modified accrual basis of accounting)*

	2001	2002	2003	2004
<b>Revenues:</b>				
Taxes	\$45,242,266	\$50,013,992	\$40,727,310	\$46,505,499
Tuition and Fees	211,348	355,413	277,879	133,650
Transportation	257,894	226,815	153,028	236,469
Interest	1,634,965	917,462	1,252,041	1,392,455
Sales	0	0	1,516,091	1,569,095
Intergovernmental	14,852,133	18,322,943	21,285,412	22,374,640
Extracurricular Activities	633,025	587,488	589,162	571,285
Class Materials and Fees	52,697	49,695	276,651	272,596
Miscellaneous	581,043	508,176	894,987	1,161,908
<b>Total Revenue</b>	<b>63,465,371</b>	<b>70,981,984</b>	<b>66,972,561</b>	<b>74,217,597</b>
<b>Expenditures:</b>				
Current:				
Instruction				
Regular	24,702,467	25,661,078	27,087,704	28,385,307
Special	4,139,266	4,456,249	5,464,116	6,300,407
Vocational	1,588,170	1,529,516	1,775,200	1,765,093
Adult/Continuing	89,237	49,858	38,876	45,990
Other Instruction	1,490,833	2,269,571	1,650,834	1,960,539
Supporting Services:				
Pupils	4,127,081	4,464,893	5,071,343	5,506,659
Instructional Staff	2,545,168	2,693,999	3,762,387	3,895,972
Board of Education	48,890	49,099	63,163	46,043
Administration	4,909,149	5,213,909	5,348,449	5,909,024
Fiscal Services	1,284,459	1,394,498	1,315,984	1,462,774
Business	704,132	664,441	782,671	1,224,402
Operation and Maintenance of Plant	6,252,403	6,641,022	6,901,983	6,761,708
Pupil Transportation	2,152,275	2,399,073	2,388,869	2,565,565
Central	878,534	1,049,695	1,309,928	1,138,637
Non-Instructional Services (1)	1,411,691	1,304,478	3,711,067	3,780,650
Extracurricular Activities	1,319,701	1,469,666	1,514,821	1,508,330
Facility Acquisition and Construction	376,494	1,027,308	4,499,353	26,170,217
Debt Service:				
Principal Retirement	935,273	621,064	596,956	5,550,543
Interest and Fiscal Charges	834,536	860,954	2,577,736	4,871,266
<b>Total Expenditures</b>	<b>59,789,759</b>	<b>63,820,371</b>	<b>75,861,440</b>	<b>108,849,126</b>

*Kettering City School District*

2005	2006	2007	2008	2009	2010
\$58,630,450	\$57,446,028	\$61,267,771	\$57,556,743	\$57,658,781	\$52,813,987
177,173	183,559	609,365	613,261	693,321	763,831
308,858	237,299	157,477	104,445	74,964	34,700
1,505,456	1,186,344	1,653,214	1,205,909	680,404	184,639
1,686,277	1,750,980	1,827,929	1,792,888	1,767,093	1,687,589
23,111,700	23,493,753	25,771,927	29,622,757	33,117,698	37,499,623
642,718	720,352	892,333	735,312	701,920	683,015
265,090	247,234	260,652	251,374	205,572	181,273
1,833,114	1,440,892	847,000	1,236,232	1,104,229	1,303,659
<u>88,160,836</u>	<u>86,706,441</u>	<u>93,287,668</u>	<u>93,118,921</u>	<u>96,003,982</u>	<u>95,152,316</u>
29,495,513	31,367,491	32,288,016	32,454,270	33,672,384	35,757,961
7,170,658	7,449,037	7,842,597	7,775,400	8,147,614	9,112,354
1,883,682	1,969,979	2,001,139	1,987,377	2,091,786	2,603,181
40,193	29,675	34,254	37,255	41,716	80,097
2,202,452	3,699,059	4,373,656	4,253,666	2,706,076	2,330,680
6,043,951	6,312,259	6,559,484	6,523,471	7,655,385	8,670,527
4,424,620	4,480,281	4,543,760	4,675,328	4,638,447	5,556,122
1,557,965	61,408	66,612	68,541	73,370	67,089
6,144,449	6,395,203	6,537,621	6,716,620	6,680,120	5,811,186
1,540,782	1,779,432	1,777,309	1,884,587	1,900,061	1,572,373
552,678	541,416	536,772	568,496	571,214	610,412
7,573,422	7,781,644	7,885,136	8,276,731	8,323,159	8,757,425
2,907,533	3,130,092	2,758,153	3,352,988	3,505,177	3,448,507
1,184,368	1,036,217	2,082,946	1,667,372	1,689,751	1,857,867
4,301,318	4,172,955	4,600,634	4,832,456	4,625,262	4,680,816
1,608,403	1,534,011	1,630,658	1,676,487	1,724,190	1,667,391
57,098,482	17,385,414	2,119,606	558,345	34,781	459,417
15,225,923	2,094,004	2,925,887	3,746,555	3,228,503	3,522,002
5,510,702	5,199,402	4,888,769	4,716,400	4,466,790	4,364,486
<u>156,467,094</u>	<u>106,418,979</u>	<u>95,453,009</u>	<u>95,772,345</u>	<u>95,775,786</u>	<u>100,929,893</u>

(Continued)

***Kettering City School District***

*Changes in Fund Balances, Governmental Funds  
Last Ten Years  
(modified accrual basis of accounting)*

	2001	2002	2003	2004
Excess (Deficiency) of Revenues Over Expenditures	3,675,612	7,161,613	(8,888,879)	(34,631,529)
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	1,537	16,454	300	0
Premium on Issuance of General Obligation Bonds	1,200,000	0	2,489,152	0
General Obligation Bonds Issued	400,000	0	87,400,000	15,000,000
Payment to Refunded Bond Escrow Agent	0	0	0	0
Premium on Issuance of Refunding Bonds	0	0	0	0
Refunding Bonds Issued	0	0	0	0
New Capital Leases	0	0	0	653,538
Transfers In	210,000	13,500	191,829	24,401
Transfers Out	(210,000)	(13,500)	(191,829)	(24,401)
<b>Total Other Financing Sources (Uses)</b>	<u>1,601,537</u>	<u>16,454</u>	<u>89,889,452</u>	<u>15,653,538</u>
<b>Net Change in Fund Balance</b>	<u>\$5,277,149</u>	<u>\$7,178,067</u>	<u>\$81,000,573</u>	<u>(\$18,977,991)</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	3.08%	2.40%	4.57%	13.91%

(1) Food Service Operations were reclassified from Business-Type Activity to Governmental Activity in 2003 when the District implemented GASB 34.

Source: District Treasurer's Office

***Kettering City School District***

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2005	2006	2007	2008	2009	2010
(68,306,258)	(19,712,538)	(2,165,341)	(2,653,424)	228,196	(5,777,577)
0	0	0	0	0	0
635,025	0	0	0	0	0
12,149,989	0	0	0	0	0
0	0	(70,926,703)	0	0	0
0	0	4,807,856	0	0	0
0	0	66,999,990	0	0	0
0	199,940	1,155,270	281,708	0	0
94,916	13,500	58,574	13,500	13,500	343,500
(94,916)	(13,500)	(58,574)	(13,500)	(13,500)	(343,500)
<u>12,785,014</u>	<u>199,940</u>	<u>2,036,413</u>	<u>281,708</u>	<u>0</u>	<u>0</u>
<u>(\$55,521,244)</u>	<u>(\$19,512,598)</u>	<u>(\$128,928)</u>	<u>(\$2,371,716)</u>	<u>\$228,196</u>	<u>(\$5,777,577)</u>
26.48%	9.38%	9.19%	9.77%	8.81%	8.51%



## *Kettering City School District*

*Assessed Valuations and Estimated True Values of Taxable Property*  
(per \$1,000 of assessed value)  
*Last Ten Calendar Years*

<b>Tax year</b>	2001	2002	2003	2004
<b>Real Property</b>				
Assessed	1,062,332,080	1,049,205,930	1,144,802,840	1,144,673,410
Actual	3,035,234,514	2,997,731,229	3,270,865,257	3,270,495,457
<b>Public Utility</b>				
Assessed	109,567,330	63,730,190	70,859,650	68,630,430
Actual	124,508,330	72,420,670	80,522,330	77,989,125
<b>Tangible Personal Property</b>				
Assessed	188,035,293	175,257,840	162,332,926	134,709,010
Actual	752,141,172	701,031,360	649,331,704	538,836,040
<b>Total</b>				
Assessed	1,359,934,703	1,288,193,960	1,377,995,416	1,348,012,850
Actual	3,911,884,016	3,771,183,259	4,000,719,291	3,887,320,622
<b>Assessed Value as a Percentage of Actual Value</b>	34.76%	34.16%	34.44%	34.68%
<b>Total Direct Tax Rate</b>	\$53.10	\$56.30	\$56.30	\$56.30

Source: Montgomery County Auditor

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

*Kettering City School District*

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2005	2006	2007	2008	2009	2010
1,152,401,750	1,271,199,660	1,275,658,100	1,284,465,470	1,287,214,020	1,307,881,230
3,292,576,429	3,631,999,029	3,644,737,429	3,669,901,343	3,677,754,343	3,736,803,514
70,404,720	66,290,158	66,290,158	61,379,830	67,124,670	72,380,190
80,005,364	75,329,725	75,329,725	69,749,807	76,278,034	82,250,216
142,988,855	85,452,509	61,403,477	50,549,093	6,132,430	1,002,490
571,955,420	341,810,036	245,613,908	202,196,372	24,529,720	4,009,960
1,365,795,325	1,422,942,327	1,403,351,735	1,396,394,393	1,360,471,120	1,381,263,910
3,944,537,212	4,049,138,790	3,965,681,062	3,941,847,522	3,778,562,097	3,823,063,690
34.62%	35.14%	35.39%	35.42%	36.00%	36.13%
\$60.90	\$67.80	\$67.80	\$71.30	\$72.20	\$73.10

## *Kettering City School District*

*Property Tax Rates of Direct and Overlapping Governments  
(per \$1,000 of assessed value)  
Last Ten Calendar Years*

	2000	2001	2002	2003	2004
<b>Direct District Rates</b>					
General Fund	51.60	54.80	54.80	54.80	54.80
Permanent Improvement Fund	0.60	0.60	0.60	0.60	0.60
Bond Retirement Fund	0.90	0.90	0.90	5.50	5.50
Total	<u>53.10</u>	<u>56.30</u>	<u>56.30</u>	<u>60.90</u>	<u>60.90</u>
<b>Overlapping Rates</b>					
City of Kettering	6.92	6.92	6.91	6.85	6.85
City of Moraine	2.50	2.50	2.50	2.50	2.50
Montgomery County	16.64	17.24	17.24	17.24	18.24
Dayton/Montgomery County Library	0.26	0.26	0.26	0.26	0.26
Total	<u><u>79.42</u></u>	<u><u>83.22</u></u>	<u><u>83.21</u></u>	<u><u>87.75</u></u>	<u><u>88.75</u></u>

Ohio Revised Code Sections 5705.02 and 5705.07 require a vote of the people for any millage exceeding the "unvoted" or "inside" millage.

**Source:**

Montgomery County Auditor's Office  
Montgomery County Treasurer's Office

*Kettering City School District*

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<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
61.70	61.70	61.70	66.60	66.60
0.60	0.60	0.60	0.60	0.60
5.50	5.50	5.50	4.10	5.00
<u>67.80</u>	<u>67.80</u>	<u>67.80</u>	<u>71.30</u>	<u>72.20</u>
6.85	6.80	6.80	6.80	6.79
2.50	2.50	2.50	2.50	0.00
18.24	18.24	18.24	20.24	20.94
1.25	1.25	1.25	1.25	1.25
<u>96.64</u>	<u>96.59</u>	<u>96.59</u>	<u>102.09</u>	<u>101.18</u>

## *Kettering City School District*

*Principal Taxpayers  
Tangible Personal Property Tax  
Current Year and Nine Years Ago*

Name of Taxpayer	Nature of Business	Calendar Year 2009		
		Assessed Value	Rank	Percent of Total Assessed Value
Dayton Power & Light	Gas and Electric	\$15,238,210	1	73.17%
AT&T Global Network Services	Telephone Utility	1,682,290	2	8.08%
Cricket Communication Inc.	Communication	1,675,360	3	8.04%
Residenz LLC	Property Management	724,500	4	3.48%
Kettering Office Park LLC	Property Management	560,740	5	2.69%
Delphi Automotive	Auto Parts	253,720	6	1.22%
New Par	Music	196,670	7	0.94%
Cincinnati Bell	Telephone Utility	140,420	8	0.67%
Sprint	Communication	92,270	9	0.44%
Sandridge Property LLC	Property Management	90,890	10	0.44%
Subtotal		<u>20,655,070</u>		99.17%
All Others		<u>171,500</u>		0.83%
Total		<u><u>\$20,826,570</u></u>		<u><u>100.00%</u></u>

Name of Taxpayer	Nature of Business	Calendar Year 2000		
		Assessed Value	Rank	Percent of Total Assessed Value
Dayton Power & Light	Gas and Electric	\$77,536,350	1	28.89%
General Motors Corporation	Automotive Manufacturer	76,644,110	2	28.56%
Ohio Bell	Telephone Utility	11,357,590	3	4.23%
Scitex Digital Printing Inc.	Digital Printing	9,542,380	4	3.56%
Meijer Inc.	Retail Sales	1,792,120	5	0.67%
Cobblegate Square Limited	Apartments	1,755,250	6	0.65%
Stonecreek Apartments	Apartments	1,697,320	7	0.63%
Barbara Benz Trust	Automotive Parts Plant	1,600,280	8	0.60%
Lance Shaner Hotel	Hotel	1,304,150	9	0.49%
S & G Investments	Real Estate	1,257,830	10	0.47%
Subtotal		<u>184,487,380</u>		68.75%
All Others		<u>83,896,635</u>		31.25%
Total		<u><u>\$268,384,015</u></u>		<u><u>100.00%</u></u>

Source: Montgomery County Auditor - Land and Buildings  
Based on valuation of property in 2009 and 2000

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

## *Kettering City School District*

*Principal Taxpayers  
Real Estate Tax and Public Utility  
Current Year and Nine Years Ago*

		Calendar Year 2009		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Dayton Power and Light Co	Gas and Electric Utility	\$51,869,710	1	3.83%
The Reynolds and Reynolds Co	Fortune 1000	28,448,990	2	2.10%
F1 Kettering LLC	Real Estate	10,252,420	3	0.76%
General Motors Corporation	Automotive Manufacturer	7,417,790	4	0.55%
Delphi Automotive System	Auto Parts	6,056,720	5	0.45%
Residenz LLC	Property Management	5,949,660	6	0.44%
Fifteenth Dayton LLC	Printing	5,369,960	7	0.40%
Vectren Energy	Utility	5,290,610	8	0.39%
BR Kettering Towne Center	Real Estate	4,873,030	9	0.36%
Dayton Town and Country	Property Management	4,856,950	10	0.36%
Subtotal		130,385,840		9.64%
All Others		1,223,952,850		90.36%
Total		<u>\$1,354,338,690</u>		<u>100.00%</u>

		Calendar Year 2000		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
General Motors Corporation	Automotive Manufacturer	\$38,968,070	1	3.98%
Dayton Town & Country	Property Management	4,382,110	2	0.45%
W.B. Apartment Association	Property Management	4,310,390	3	0.44%
Lincoln Park Associates	Retirement Facility	3,920,250	4	0.40%
Meijer Inc.	Retail Sales	3,874,990	5	0.40%
Georgetown Apartments, Ltd.	Property Management	3,655,440	6	0.37%
Miami Valley Research	Foundation Research	3,219,660	7	0.33%
Cooper Tire Company	Tires	2,683,270	8	0.27%
Reynolds and Reynolds Co	Fortune 1000	2,668,190	9	0.27%
Scitex Digital Printing	Digital Printing	1,792,120	10	0.18%
Subtotal		69,474,490		7.09%
All Others		909,332,990		92.91%
Total		<u>\$978,807,480</u>		<u>100.00%</u>

Source: Montgomery County Auditor - Land and Buildings  
Based on valuation of property in 2009 and 2000

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

## *Kettering City School District*

### *Property Tax Levies and Collections Last Ten Calendar Years*

<b>Collection Year</b>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b>Total Tax Levy</b> <sup>(1)</sup>	\$44,879,638	\$50,386,264	\$46,987,959
<b>Collections within the Fiscal Year of the Levy</b>			
Current Tax Collections <sup>(2)</sup>	44,381,401	47,960,477	45,336,209
Percent of Levy Collected	98.89%	95.19%	96.48%
Delinquent Tax Collections	<u>1,061,019</u>	<u>1,185,137</u>	<u>1,321,662</u>
Total Tax Collections	45,442,420	49,145,614	46,657,871
<b>Percent of Total Tax Collections To Tax Levy</b>	101.25%	97.54%	99.30%
<b>Accumulated Outstanding Delinquent Taxes</b> <sup>(3)</sup>	2,103,823	1,388,513	1,576,839
<b>Percentage of Accumulated Delinquent Taxes to Total Tax Levy</b>	4.69%	2.76%	3.36%

(1) Taxes levied and collected are presented on a cash basis.

(2) State reimbursements of rollback and homestead exemptions are included; December 2008 settlement estimate included.

(3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

Source: Montgomery County Auditor's Office

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

***Kettering City School District***

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2003	2004	2005	2006	2007	2008	2009
\$53,779,128	\$51,960,333	\$62,230,176	\$59,374,793	\$55,461,256	\$56,386,305	\$54,771,300
50,574,089	51,053,894	61,263,297	57,609,301	55,134,931	57,501,661	57,583,189
94.04%	98.26%	98.45%	97.03%	99.41%	101.98%	105.13%
454,935	1,081,944	3,489,527	3,273,718	1,608,958	1,480,106	N/A
51,029,024	52,135,838	64,752,824	60,883,019	56,743,889	58,981,767	57,583,189
94.89%	100.34%	104.05%	102.54%	102.31%	104.60%	105.13%
2,632,801	4,372,384	3,579,271	2,426,623	2,386,797	2,464,561	2,547,957
4.90%	8.41%	5.75%	4.09%	4.30%	4.37%	4.65%



## *Kettering City School District*

### *Ratio of Outstanding Debt By Type Last Ten Years*

	2001	2002	2003	2004
<b>Governmental Activities</b> <sup>(1)</sup>				
Long-Term Notes Payable	\$15,000	\$0	\$0	\$0
General Obligation Bonds Payable	15,935,000	15,425,667	102,344,955	111,916,285
Capital Leases	0	365,849	249,605	781,270
Total Primary Government	<u>\$15,950,000</u>	<u>\$15,791,516</u>	<u>\$102,594,560</u>	<u>\$112,697,555</u>
<b>Population</b> <sup>(2)</sup>				
Cities of Kettering and Moraine	64,399	64,399	64,399	64,399
Outstanding Debt Per Capita	248	245	1,593	1,750
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	1,921,215	1,959,146	1,973,572	2,001,135
Percentage of Personal Income	0.83%	0.81%	5.20%	5.63%

**Sources:**

(1) District Treasurer's Office

(2) US Bureau of Census of Population

(3) US Department of Commerce, Bureau of Economic Analysis

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

N/A = Not available

*Kettering City School District*

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2005	2006	2007	2008	2009	2010
\$0	\$0	\$0	\$0	\$0	\$0
109,054,488	107,049,421	104,310,889	100,918,729	98,147,737	95,092,710
567,133	678,136	1,646,041	1,573,354	1,115,843	648,868
<u>\$109,621,621</u>	<u>\$107,727,557</u>	<u>\$105,956,930</u>	<u>\$102,492,083</u>	<u>\$99,263,580</u>	<u>\$95,741,578</u>
64,399	64,399	64,399	64,399	64,399	64,399
1,702	1,673	1,645	1,592	1,541	1,487
2,069,333	2,155,692	2,012,242	2,063,213	2,319,652	N/A
5.30%	5.00%	5.27%	4.97%	4.28%	N/A

## *Kettering City School District*

### *Ratios of General Bonded Debt Outstanding Last Ten Years*

Year	2001	2002	2003	2004
<b>Population</b> <sup>(1)</sup>	64,399	64,399	64,399	64,399
<b>Assessed Value</b> <sup>(2)</sup>	1,359,934,703	1,288,193,960	1,377,995,416	1,348,012,850
<b>General Bonded Debt</b> <sup>(3)</sup>				
General Obligation Bonds	15,935,000	15,425,667	102,344,955	111,916,285
<b>Resources Available to Pay Principal</b> <sup>(4)</sup>	809,347	1,123,191	5,233,203	2,291,869
<b>Net General Bonded Debt</b>	15,125,653	14,302,476	97,111,752	109,624,416
<b>Ratio of Net Bonded Debt to Assessed Value</b>	1.11%	1.11%	7.05%	8.13%
<b>Net Bonded Debt per Capita</b>	235	222	1,508	1,702

**Source:**

- (1) U.S. Bureau of Census of Population
- (2) Montgomery County Auditor
- (3) Includes all general obligation bonded debt supported by property taxes
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

***Kettering City School District***

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2005	2006	2007	2008	2009	2010
64,399	64,399	64,399	64,399	64,399	64,399
1,365,795,325	1,422,942,327	1,403,351,735	1,396,394,393	1,360,471,120	1,381,263,910
109,054,488	107,049,421	104,310,889	100,918,729	98,147,737	95,092,710
2,243,653	2,752,772	4,557,437	3,297,658	2,728,232	2,358,342
106,810,835	104,296,649	99,753,452	97,621,071	95,419,505	92,734,368
7.82%	7.33%	7.11%	6.99%	7.01%	6.71%
1,659	1,620	1,549	1,516	1,482	1,440



***Kettering City School District***

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
June 30, 2010*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to Kettering City School District</u>	<u>Amount Applicable to Kettering City School District</u>
<b>Direct:</b>			
Kettering City School District	\$95,092,710	100.00%	\$95,092,710
<b>Overlapping:</b>			
Montgomery County	39,763,796	12.66%	5,034,097
City of Kettering	17,246,820	82.21%	14,178,611
City of Moraine	6,490,128	17.79%	1,154,594
		Subtotal	<u>20,367,302</u>
		Total	<u><u>\$115,460,012</u></u>

**Source:** Montgomery County Auditor

**Kettering City School District**

*Debt Limitations  
Last Ten Years*

	2001	2002	2003	2004
<b>Net Assessed Valuation</b>	\$1,359,934,703	\$1,288,193,960	\$1,377,995,416	\$1,348,012,850
<b>Overall Direct Debt Limitation</b>				
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	122,394,123	115,937,456	124,019,587	121,321,157
Applicable District Debt Outstanding	13,580,000	13,330,000	100,465,000	110,355,000
Less: Applicable Debt Service Fund Amounts (2)	(809,347)	(1,123,191)	(5,233,203)	(2,291,869)
Net Indebtedness Subject to Limitation	12,770,653	12,206,809	95,231,797	108,063,131
Overall Legal Debt Margin	<u>\$109,623,470</u>	<u>\$103,730,647</u>	<u>\$28,787,790</u>	<u>\$13,258,026</u>
<b>Unvoted Direct Debt Limitation</b>				
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	1,359,935	1,288,194	1,377,995	1,348,013
Applicable District Debt Outstanding	0	0	0	0
Unvoted Legal Debt Margin	<u>\$1,359,935</u>	<u>\$1,288,194</u>	<u>\$1,377,995</u>	<u>\$1,348,013</u>
<b>Energy Conservation Bond Limitation</b>				
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	12,239,412	11,593,746	12,401,959	12,132,116
Authorized by the Board	(2,355,000)	(2,095,667)	(1,879,955)	(1,661,285)
Unvoted Energy Conservation Bond Legal Debt Margin	<u>\$9,884,412</u>	<u>\$9,498,079</u>	<u>\$10,522,004</u>	<u>\$10,470,831</u>

(1) Ohio Bond Law sets a limit of 9% for overall debt, 1/10 of 1% for unvoted debt, and 9/10 of 1% for energy conservation debt.

(2) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

*Kettering City School District*

2005	2006	2007	2008	2009	2010
\$1,365,795,325	\$1,422,942,327	\$1,403,351,735	\$1,396,394,393	\$1,360,471,120	\$1,381,263,910
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
122,921,579	128,064,809	126,301,656	125,675,495	122,442,401	124,313,752
107,619,989	105,844,989	103,339,979	100,184,979	97,489,979	94,514,979
(2,243,653)	(2,752,772)	(4,557,437)	(3,297,658)	(2,728,232)	(2,358,342)
105,376,336	103,092,217	98,782,542	96,887,321	94,761,747	92,156,637
<u>\$17,545,243</u>	<u>\$24,972,592</u>	<u>\$27,519,114</u>	<u>\$28,788,174</u>	<u>\$27,680,654</u>	<u>\$32,157,115</u>
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
1,365,795	1,422,942	1,403,352	1,396,394	1,360,471	1,381,264
0	0	0	0	0	0
<u>\$1,365,795</u>	<u>\$1,422,942</u>	<u>\$1,403,352</u>	<u>\$1,396,394</u>	<u>\$1,360,471</u>	<u>\$1,381,264</u>
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
12,292,158	12,806,481	12,630,166	12,567,550	12,244,240	12,431,375
(1,434,499)	(1,204,432)	(970,910)	(733,750)	(657,758)	(577,731)
<u>\$10,857,659</u>	<u>\$11,602,049</u>	<u>\$11,659,256</u>	<u>\$11,833,800</u>	<u>\$11,586,482</u>	<u>\$11,853,644</u>



## *Kettering City School District*

### *Demographic and Economic Statistics Last Ten Years*

Calendar Year	2000	2001	2002	2003
<b>Population</b> (1)				
Cities of Kettering and Moraine	64,399	64,399	64,399	64,399
Montgomery County	559,062	554,232	554,470	552,187
<b>Income</b> (2) (a)				
Total Personal (in thousands)	1,864,222	1,921,215	1,959,146	1,973,572
Per Capita	28,948	29,833	30,422	30,646
<b>Unemployment Rate</b> (3)				
Federal	3.8%	4.8%	5.8%	6.0%
State	3.7%	4.3%	5.7%	6.1%
Montgomery County	3.8%	4.3%	5.6%	6.3%
Fiscal Year	2001	2002	2003	2004
<b>School Enrollment</b> (4)				
Grades K - 5	3,510	3,449	3,274	3,297
Grades 6 - 8	1,916	1,882	1,809	1,813
Grades 9 - 12	2,485	2,471	2,439	2,468
Non-Grade	9	6	6	6
Total	<u>7,920</u>	<u>7,808</u>	<u>7,528</u>	<u>7,584</u>

**Sources:**

- (1) US Bureau of Census of Population
- (2) US Department of Commerce, Bureau of Economic Analysis
  - (a) Per Capita Income is only available by County, Total Personal Income is a calculation
- (3) State Department of Labor Statistics
- (4) District Treasurer's Office

***Kettering City School District***

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2004	2005	2006	2007	2008	2009
64,399	64,399	64,399	64,399	64,399	64,399
550,063	547,435	542,237	538,104	534,626	532,562
2,001,135	2,069,333	2,155,692	2,123,235	2,187,119	2,319,652
31,074	32,133	33,474	32,970	33,962	36,020
5.5%	5.0%	4.6%	4.6%	5.8%	9.3%
6.0%	5.9%	5.5%	5.6%	6.6%	10.2%
6.6%	6.4%	6.0%	7.3%	7.4%	11.4%
2005	2006	2007	2008	2009	2010
3,240	3,292	3,331	3,353	3,321	3,355
1,770	1,720	1,685	1,676	1,677	1,681
2,425	2,466	2,451	2,398	2,378	2,334
0	0	0	0	0	0
<u>7,435</u>	<u>7,478</u>	<u>7,467</u>	<u>7,427</u>	<u>7,376</u>	<u>7,370</u>



## *Kettering City School District*

### *Principal Employers Current Year and Nine Years Ago*

Employer	Nature of Business	2009	
		Number of Employees	Rank
Kettering Medical Center	Hospital	3,100	1
GE Money	Finance Services	1,700	2
Reynolds & Reynolds Company	Fortune 1000	1,250	3
Kettering City School District	Education	1,137	4
Intimate Brands Inc.	A Catalog Order Center	1,000	5
City of Kettering	Municipality	900	6
DMAX Ltd.	Manufacturer	844	7
Eastman Kodak Company	Digital Printing	700	8
Meijer Inc.	Retail Sales	550	9
Walmart	Retail Sales	502	10
Total		<u>11,683</u>	

Employer	Nature of Business	2000	
		Number of Employees	Rank
Kettering Medical Center	Hospital	3,100	1
Delphi Automotive	Auto Parts Plant	1,768	2
Reynolds & Reynolds Co.	Fortune 1000	1,500	3
Intimate Brands	A Catalog Order Center	1,500	4
Victoria Secret Catalog	Retail Sales	1,250	5
Elder Beerman Corporation	Retail Sales	900	6
Kettering City School District	Education	800	7
Meijer	Retail Sales	750	8
Scitex Digital Printing Inc.	Digital Printing	600	9
City of Kettering	Municipality	555	10
Total		<u>12,723</u>	

**Sources:** City of Kettering CAFR, and Kettering City School District CAFR, Kettering Chamber of Commerce.

Note: Presented on a Calendar Year basis.

***Kettering City School District***

*School District Employees by Type  
Last Ten Years*

	2001	2002	2003	2004	2005
Official Administrative	43.00	45.00	42.00	48.00	44.00
Professional - Educational	509.30	526.81	536.40	539.40	538.40
Professional - Other	29.80	32.45	34.35	34.50	34.70
Technical	13.48	14.48	16.20	14.48	14.48
Office/Clerical	95.00	99.21	102.17	149.06	159.88
Crafts and Trades	13.00	15.00	13.00	15.00	12.00
Operative	28.64	29.93	29.53	34.09	33.97
Service Work/Laborer	85.91	85.55	80.83	113.06	114.50
<i>Total Employees</i>	<u>818.13</u>	<u>848.43</u>	<u>854.48</u>	<u>947.59</u>	<u>951.93</u>

**Method:** 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: District Treasurer's Office

*Kettering City School District*

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2006	2007	2008	2009	2010
38.79	37.00	38.00	37.00	34.00
541.81	533.96	509.06	518.10	525.40
38.99	40.68	34.86	41.56	35.90
14.51	14.02	12.30	13.30	13.75
158.93	150.13	150.94	144.25	158.40
15.00	16.00	13.00	14.00	11.00
39.60	32.82	33.79	36.08	35.14
117.46	108.94	103.02	103.27	103.73
<u>965.09</u>	<u>933.55</u>	<u>894.97</u>	<u>907.56</u>	<u>917.32</u>

## *Kettering City School District*

### *Operating Indicators - Cost per Pupil Last Ten Years*

Fiscal Year	2001	2002	2003	2004	2005
Enrollment	7,920	7,808	7,528	7,584	7,435
Modified Accrual Basis					
Operating Expenditures	52,565,040	58,095,256	68,502,915	72,501,534	78,304,032
Cost per Pupil	6,637	7,440	9,100	9,560	10,532
Percentage of Change	(2.2%)	12.1%	22.3%	5.1%	10.2%
Accrual Basis					
Expenses	N/A	\$58,095,256	68,775,411	76,593,197	79,355,641
Cost per Pupil	N/A	7,440	9,136	10,099	10,673
Percentage of Change	N/A	N/A	22.8%	10.5%	5.7%
Teaching Staff	567	592	617	615	620
Pupil to Teacher Ratio					
Kettering	14.0	13.2	12.2	12.3	12.0
State Average	18.0	16.9	16.9	18.5	18.5

Source: District Treasurer's Office and Ohio Department of Education

N/A = Not available

***Kettering City School District***

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2006	2007	2008	2009	2010
7,478	7,467	7,427	7,376	7,370
81,740,159	85,518,747	86,751,045	88,045,712	92,583,988
10,931	11,453	11,680	11,937	12,562
3.8%	4.8%	2.0%	2.2%	5.2%
79,245,374	88,265,326	88,976,154	90,830,341	93,178,181
10,597	11,821	11,980	12,314	12,643
(0.7%)	11.5%	1.3%	2.8%	2.7%
621	624	556	574	564
12.0	12.0	13.4	12.9	13.1
18.6	19.6	18.6	18.6	19.4



## *Kettering City School District*

### *Operating Indicators by Function Last Ten Years*

	2001	2002	2003	2004
<b>Governmental Activities</b>				
Instruction				
Regular	418	418	418	415
Special	85	85	85	88
Support Services				
Pupils				
Enrollment	7,920	7,808	7,528	7,584
Graduates	501	485	521	512
Percent of Students with Disabilities	11%	12%	14%	14%
Board of Education				
Members	5	5	5	5
Regular Meetings per Year	12	12	12	12
Administration				
School Attendance Rate	94.5%	94.5%	94.2%	94.4%
Fiscal Services				
Purchase Orders Processed	8,820	8,567	8,063	7,839
Checks Issued (non payroll)	8,900	9,895	7,934	8,221
Operation and Maintenance of Plant				
District Square Footage Maintained	1,276,080	1,346,597	1,346,597	1,346,597
District Square Acreage Maintained	254	254	254	254
Pupil Transportation				
Average Daily Students Transported	4,201	3,979	3,947	3,998
Average Daily Bus Fleet Miles	2,132	2,072	2,412	2,787
Number of Buses	55	50	50	60
Operation of Noninstructional Services				
Food Service				
Student Meals Served Yearly	N/A	601,381	594,202	587,332
Free/Reduced Price Meals Daily	N/A	3,422	3,449	3,370
Uniform School Supplies	3	3	3	3
Extracurricular Activities				
High School Varsity Teams	23	23	23	23

Source: District Treasurer's Office

N/A = Not available

*Kettering City School District*

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2005	2006	2007	2008	2009	2010
414	468	446	467	480	470
85	93	92	94	94	94
7,435	7,478	7,467	7,427	7,376	7,370
523	568	533	539	575	541
16%	16%	14%	16%	16%	16%
5	5	5	5	5	5
12	12	12	12	12	12
94.6%	94.9%	94.9%	95.1%	95.1%	95.3%
7,572	6,950	6,443	5,841	5,705	5,571
8,341	7,418	7,445	7,033	6,384	6,360
1,346,597	1,346,597	1,346,597	1,346,597	1,346,597	1,346,597
254	254	254	254	254	254
3,740	3,562	3,413	3,257	3,225	3,136
3,042	2,826	2,923	2,936	3,144	2,943
59	59	61	61	66	66
621,894	646,932	668,413	700,592	689,048	715,958
3,528	3,693	1,540	1,604	1,748	2,082
3	3	3	3	3	3
23	23	23	23	23	26

***Kettering City School District***

*Operating Indicators - Teacher Base Salaries  
Last Ten Years*

Fiscal Year	2001	2002	2003	2004	2005
Minimum Salary	\$26,290	\$27,079	\$27,891	\$29,286	\$30,604
Maximum Salary	67,302	69,322	71,401	74,971	78,346
District Average Salary	45,717	47,137	48,221	51,042	42,799
County Average Salary	43,467	44,676	45,542	45,048	40,545
State Average Salary	42,892	44,266	45,515	47,495	49,438

Source: District Treasurer's Office and Ohio Department of Education

*Operating Indicators - Teacher by Education  
Last Ten Years*

Fiscal Year	2001	2002	2003	2004	2005
Bachelor's Degree	192	192	192	192	173
Master's Degree + 15	311	311	311	311	326
Total	503	503	503	503	499

Source: District Treasurer's Office

***Kettering City School District***

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<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$31,828	\$32,465	\$33,439	\$34,442	\$34,959
81,480	83,110	85,604	88,172	89,495
57,211	59,194	61,770	52,159	53,789
50,787	51,971	54,212	55,124	N/A
50,772	53,536	54,210	55,583	N/A

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<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
191	164	178	178	137
370	397	397	396	427
561	561	575	574	564

## *Kettering City School District*

### *Capital Asset Statistics by Building Last Ten Years*

	2001	2002	2003	2004
<b>Secondary</b>				
Kettering Fairmont High School				
Square Footage	350,000	420,517	420,517	420,517
Capacity (students)	3,725	3,725	3,725	3,725
Enrollment	2,494	2,475	2,520	2,479
<b>Middle</b>				
Kettering Middle School				
Square Footage	245,522	245,522	245,522	245,522
Capacity (students)	2,250	2,250	2,250	2,250
Enrollment	1,176	1,150	1,122	1,079
Van Buren Middle School				
Square Footage	103,184	103,184	103,184	103,184
Capacity (students)	960	960	960	960
Enrollment	740	731	739	740
<b>Elementary</b>				
Beavertown Elementary School				
Square Footage	47,347	47,347	47,347	47,347
Capacity (students)	530	530	530	530
Enrollment	398	395	348	359
Greenmont Elementary School				
Square Footage	45,633	45,633	45,633	45,633
Capacity (students)	720	720	720	720
Enrollment	375	371	329	324
Indian Riffle Elementary School				
Square Footage	102,000	102,000	102,000	102,000
Capacity (students)	1,300	1,300	1,300	1,300
Enrollment	482	455	469	471
J.F.Kennedy Elementary School				
Square Footage	106,000	106,000	106,000	106,000
Capacity (students)	1,000	1,000	1,000	1,000
Enrollment	558	555	552	539
Moraine Meadows Elementary School				
Square Footage	26,732	26,732	26,732	26,732
Capacity (students)	418	418	418	418
Enrollment	190	197	159	160

***Kettering City School District***

2005	2006	2007	2008	2009	2010
420,517	420,517	420,517	420,517	420,517	420,517
3,725	3,725	3,725	3,725	3,725	3,725
2,454	2,485	2,451	2,451	2,378	2,334
245,522	245,522	245,522	245,522	245,522	245,522
2,250	2,250	2,250	2,250	2,250	2,250
1,099	1,041	996	996	972	1,001
103,184	103,184	103,184	103,184	103,184	103,184
960	960	960	960	960	960
676	680	689	689	705	680
47,347	47,347	47,347	47,347	47,347	47,347
530	530	530	530	530	530
354	353	387	387	383	361
45,633	45,633	45,633	45,633	45,633	45,633
720	720	720	720	720	720
346	336	326	326	313	341
102,000	102,000	102,000	102,000	102,000	102,000
1,300	1,300	1,300	1,300	1,300	1,300
435	444	448	448	421	431
106,000	106,000	106,000	106,000	106,000	106,000
1,000	1,000	1,000	1,000	1,000	1,000
537	554	534	534	567	555
26,732	26,732	26,732	26,732	26,732	26,732
418	418	418	418	418	418
152	155	153	153	151	157

(Continued)

## *Kettering City School District*

### *Capital Asset Statistics by Building Last Ten Years*

	2001	2002	2003	2004
Oakview Elementary School				
Square Footage	49,056	49,056	49,056	49,056
Capacity (students)	500	500	500	500
Enrollment	411	427	416	433
Orchard Park Elementary School				
Square Footage	34,189	34,189	34,189	34,189
Capacity (students)	450	450	450	450
Enrollment	319	321	305	291
J.E.Prass Elementary School				
Square Footage	47,264	47,264	47,264	47,264
Capacity (students)	570	570	570	570
Enrollment	384	370	369	349
Southdale Elementary School				
Square Footage	47,185	47,185	47,185	47,185
Capacity (students)	530	530	530	530
Enrollment	393	391	393	363
<b>All Other</b>				
Central Administration Building				
Square Footage	26,968	26,968	26,968	26,968
Occupancy	101	179	195	178
Transportation Building				
Square Footage	30,000	30,000	30,000	30,000
Maintenance Building				
Square Footage	15,000	15,000	15,000	15,000

Source: District Treasurer's Office

*Kettering City School District*

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2005	2006	2007	2008	2009	2010
49,056	49,056	49,056	49,056	49,056	49,056
500	500	500	500	500	500
565	409	402	402	382	395
34,189	34,189	34,189	34,189	34,189	34,189
450	450	450	450	450	450
290	304	306	306	291	300
47,264	47,264	47,264	47,264	47,264	47,264
570	570	570	570	570	570
348	336	324	324	342	352
47,185	47,185	47,185	47,185	47,185	47,185
530	530	530	530	530	530
384	407	451	451	471	463
26,968	26,968	26,968	26,968	26,968	26,968
195	153	153	153	153	153
30,000	30,000	30,000	30,000	30,000	30,000
15,000	15,000	15,000	15,000	15,000	15,000



## *Kettering City School District*

### *Capital Asset Statistics by Function Last Ten Years*

	2001	2002	2003	2004
<b>Governmental Activities</b>				
Instruction				
Regular				
Buildings and Improvements	\$17,256,080	\$17,253,196	\$17,253,196	\$17,253,196
Furniture, Vehicles and Equipment	2,768,675	573,619	617,035	664,622
Special				
Furniture, Vehicles and Equipment	207,978	197,331	197,331	197,331
Vocational				
Furniture, Vehicles and Equipment	454,572	431,488	452,988	452,988
Support Services				
Pupils				
Furniture, Vehicles and Equipment	72,758	58,569	58,569	58,569
Instructional Staff				
Furniture, Vehicles and Equipment	269,598	250,981	267,702	267,702
Administration				
Buildings and Improvements	213,000	213,000	213,000	213,000
Furniture, Vehicles and Equipment	297,751	232,879	246,198	246,198
Fiscal Services				
Furniture, Vehicles and Equipment	65,903	65,903	65,903	65,903
Business				
Furniture, Vehicles and Equipment	504,112	476,842	476,842	476,842
Operations and Maintenance of Plant				
Furniture, Vehicles and Equipment	385,291	352,738	375,992	373,095
Pupil Transportation				
Furniture, Vehicles and Equipment	2,967,886	1,502,088	1,588,645	1,754,945
Central				
Furniture, Vehicles and Equipment	513,230	356,637	356,637	356,637
Non-Instructional Activities				
Furniture, Vehicles and Equipment	277,982	406,868	439,441	474,577
Extracurricular Activities				
Furniture, Vehicles and Equipment	21,206	21,206	21,206	21,206
Facility Acquisition and Construction				
Buildings and Improvements	14,578,614	14,578,614	17,530,495	40,686,440
Furniture, Vehicles and Equipment	0	0	0	0

Source: District Treasurer's Office

***Kettering City School District***

2005	2006	2007	2008	2009	2010
\$17,253,196	\$17,253,196	\$17,253,196	\$17,253,196	\$17,253,196	\$17,253,196
542,221	536,731	554,562	615,582	647,246	658,923
197,331	200,831	207,636	210,889	210,889	242,153
452,988	479,353	479,353	479,353	479,353	479,353
71,273	71,273	121,164	139,448	139,448	234,621
267,702	267,702	267,702	267,702	267,702	267,702
213,000	213,000	213,000	213,000	213,000	213,000
246,198	262,998	262,998	120,461	120,461	120,461
65,903	65,903	65,903	65,903	68,798	71,693
476,842	476,842	476,842	334,305	334,305	334,305
416,879	416,879	420,479	420,479	420,479	431,140
1,991,505	2,404,010	2,404,010	2,265,675	2,697,721	2,697,721
186,821	193,757	1,383,911	1,389,307	1,392,810	1,400,460
654,250	722,967	757,108	857,470	937,888	950,250
21,206	21,206	21,206	26,405	26,405	34,400
97,577,740	118,327,885	119,196,986	119,196,986	119,196,986	119,196,986
0	0	0	0	0	172,800

## *Kettering City School District*

### *Educational and Operating Statistics Last Ten Years*

	2001	2002	2003	2004	2005
<b>ACT Scores (Average)</b>					
Kettering	22.8	22.6	23.4	22.2	22.2
Ohio	21.4	21.4	21.4	21.4	21.1
National	21.0	20.8	20.8	20.9	20.6
<b>SAT Scores (Average)</b>					
Kettering					
Verbal	537	528	544	527	524
Mathematical	537	527	551	531	532
Ohio					
Verbal	534	534	536	540	539
Mathematical	539	539	541	540	543
National					
Verbal	506	506	507	510	508
Mathematical	514	514	519	510	520
<b>National Merit Scholars</b>					
Finalist	1	3	2	2	0
Semi-Finalist	1	3	2	2	0
Commended Scholars	0	0	0	0	3
<b>Cost per Student (ODE)</b>					
Kettering	6,937	7,412	7,726	8,247	9,434
Ohio (Average)	7,602	8,073	8,441	8,768	9,028
<b>Cost to Educate a Graduate</b>					
Kettering	N/A	N/A	80,238	83,539	88,059
Ohio (Average)	71,601	75,655	79,747	84,129	88,133
<b>Attendance Rate</b>					
Kettering	94.35%	95.57%	93.50%	93.90%	94.10%
Ohio (Average)	94.70%	95.00%	94.90%	95.30%	95.20%
<b>Graduation Rate</b>					
Kettering	90.30%	95.00%	97.60%	99.30%	99.40%
Ohio (Average)	81.20%	82.80%	83.90%	84.30%	85.90%

**Source:**

District's Student Records and Ohio Department of Education

N/A = Not available

***Kettering City School District***

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2006	2007	2008	2009	2010
23.2	22.7	22.7	23.6	23.0
21.5	21.6	21.7	21.7	21.8
21.1	21.2	21.1	21.1	21.1
541	525	517	540	550
552	532	531	556	558
535	536	534	537	538
544	542	544	546	548
503	502	502	501	501
581	515	515	515	516
0	0	0	0	0
0	0	2	1	0
4	6	1	3	5
10,593	10,998	11,078	8,590	N/A
9,356	9,586	9,939	10,254	N/A
93,166	104,163	115,241	106,755	N/A
89,779	99,365	109,304	106,929	N/A
95.50%	94.90%	95.10%	95.10%	95.30%
94.10%	94.10%	94.20%	94.30%	94.30%
98.60%	98.70%	N/A	97.90%	98.00%
86.20%	86.90%	N/A	84.60%	83.00%



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**Mary Taylor, CPA**  
Auditor of State

**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 18, 2011**