

**Fiscal Year Ended  
June 30, 2010**



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

# Comprehensive Annual Financial Report

London City School District- Board of Education

**Issued by:**

Office of the Treasurer

**Britt R. Lewis**

Treasurer/Chief Financial Officer





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Accountants' Report* of the London City School District, Madison County, prepared by Kennedy Cottrell Richards LLC, for the audit period July 1, 2009 through June 30, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

March 7, 2011

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***LONDON CITY SCHOOL DISTRICT***

**LONDON, OHIO**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

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

Issued by:

Treasurer's Office

Britt R. Lewis, Treasurer/Chief Financial Officer



# **INTRODUCTORY SECTION**





*London City School District  
Comprehensive Annual Financial Report  
For The Fiscal Year Ended June 30, 2010*

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**INTRODUCTORY SECTION**

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# LONDON CITY SCHOOLS

60 SOUTH WALNUT STREET • LONDON, OHIO 43140 • TEL: 740-852-5700  
• FAX: 740-852-7360 • [WWW.LONDON.K12.OH.US](http://WWW.LONDON.K12.OH.US)

December 29, 2010

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the London City School District for the fiscal year ended June 30, 2010. This CAFR, which includes financial statements and other financial and statistical data, conforms to generally accepted accounting principles as applicable to governmental entities. The intent of this report is to provide the taxpayers of the London City School District with comprehensive financial and statistical data in a format that enables them to gain a true understanding of the School District's financial affairs as well as provide management with better financial information for future decision making.

State law requires that every school district file with the Auditor of State of Ohio and publish the availability of financial statements within 150 days of the close of each fiscal year. The basic financial statements from this report were filed to fulfill that requirement for the fiscal year ended June 30, 2010. The School District has elected to prepare and publish a CAFR in the belief that the additional data contained in the report provides important information that helps a reader understand more fully the financial condition of the School District.

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

Kennedy, Cotrell, Richards, CPA, LLC have issued an unqualified ("clean") opinion on the London City School District's financial statements for the fiscal year ended June 30, 2010. The independent auditor's report is located at the front of the Financial Section of this report.

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

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

## **FORMATION OF THE SCHOOL DISTRICT**

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

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

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

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

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

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

The School District today serves a student population of 2,089, within its three schools. The School District not only serves its regular education population daily, but has a large population of special needs children from Pre-Kindergarten through twelfth grade within the School District. These students are served in the School District's new configuration with London Elementary School (Pre-kindergarten through fifth grade), London Middle School (sixth through eighth grade), and London High School (ninth through twelfth grade).

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

### **FORM OF GOVERNMENT AND REPORTING ENTITY**

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

The Current Board members, their terms and years on the Board as of June 30, 2010, are:

<b><u>Board Member</u></b>	<b><u>Current Term</u></b>	<b><u>Total Years Served</u></b>
Mr. Curtis Brooks	Jan. 2009 - Dec. 2011	4 ½
Mrs. Melissa Canney	Jan. 2010 - Dec. 2012	8 ½
Ms. Vicijean Geer	Jan. 2009 - Dec. 2011	11 ½
Dr. Martha Geib	Jan. 2010 - Dec. 2012	½
Mr. Eric Schooley	Jan. 2010 - Dec. 2012	4 ½

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

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



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

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

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

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

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

## **ECONOMIC CONDITION AND OUTLOOK**

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

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

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

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

The top ten employers for the School District during fiscal year 2010 are listed in the statistical tables.

## **FINANCIAL TRENDS**

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

House Bill 1, known as PASS, completely changed school funding to an evidence based model. The complete impact has yet to be determined, as there are no plans to have this model fully funded within the next five fiscal years. The concern for the School District is a continued decrease in funding. The concern is the unknown of unfunded mandates from the State or a decrease in funding due to the new PASS model.

The community approved a one percent school income tax in 2005, effective 2006-2010, which generated approximately \$2,500,000 per fiscal year. The School District passed an income tax renewal on the primary election of May 4, 2010. The State of Ohio Department of Taxation estimate of income remains at \$2,500,000 per fiscal year. The renewal levy is effective 2011-2015. The School District is currently at the 20 mill floor. The 20 mill floor is the lowest amount of millage allowed by law to be collected for a School District in the State of Ohio. The School District income tax is equivalent to 8.62 mills. The School District income tax makes up approximately 13.2 percent of the overall revenues in the general fund on a cash basis of accounting.

## **FINANCIAL PLANNING AND POLICIES**

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

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

## **MAJOR INITIATIVES FOR THE YEAR**

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

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

## **FOR THE FUTURE**

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

## **AWARDS AND ACKNOWLEDGEMENTS**

### **GFOA CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the London City School District for its Comprehensive Annual Financial Report (CAFR) 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 State and local government financial reports.

In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one fiscal year only. The London City School District believes our current report conforms to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

### **ASBO CERTIFICATE**

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2009 to the London City School District. The award certifies that the CAFR for the fiscal year ended June 30, 2009, 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 extensive review of the report by an expert panel of certified public accountants and practicing school business officials.

The London City School District believes our current report conforms to the ASBO's principles and standards and we are submitting it to ABSO to determine its eligibility for an award.

## ACKNOWLEDGEMENTS

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

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

Respectfully submitted,



D. Steven Allen, M Ed.  
Superintendent



Britt R. Lewis, MBA  
Treasurer/Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

London 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

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**LONDON 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

*Evin Green*

President

*John D. Mueser*

Executive Director

***London City School District***  
***List of Principal Officials***  
***June 30, 2010***

***Board of Education***

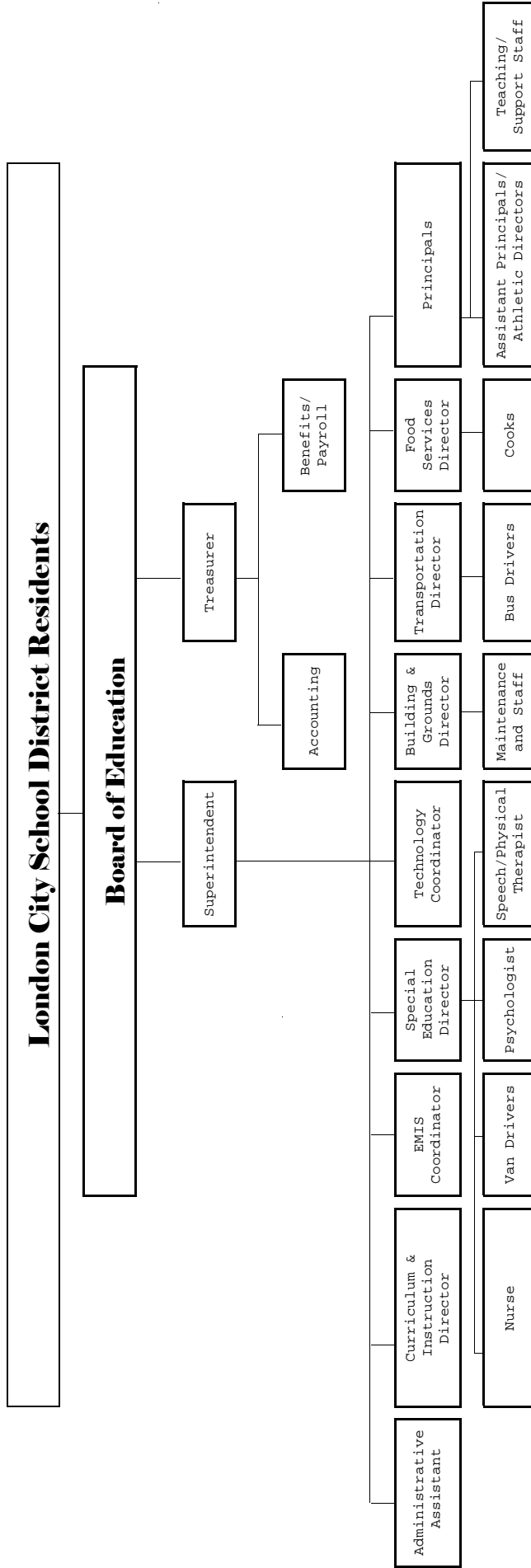
Mr. Eric Schooley .....President  
Ms. Vicijean Geer ..... Vice-President  
Mr. Curtis Brooks ..... Member  
Mrs. Melissa Canney ..... Member  
Dr. Martha Geib ..... Member

***Administration***

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



# London City School District Organizational Chart





# **FINANCIAL SECTION**



## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of London City School District, Madison 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of London City School District, Madison 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 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 17, 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.

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

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

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

Kennedy Cottrell Richards LLC

December 17, 2010

**LONDON CITY SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2010*  
*Unaudited*

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

### **Financial Highlights**

Key financial highlights for fiscal year 2010 are as follows:

- Net assets of governmental activities decreased \$1,987,751.
- Total assets of governmental activities decreased \$3,191,330. Capital assets, net decreased \$1,713,459. Current assets decreased \$1,477,871.
- General revenues accounted for \$23,721,716. Program specific revenues in the form of charges for services and sales, grants, contributions and interest accounted for \$5,653,497. Total revenues equaled \$29,375,213.
- The School District had \$27,792,045 in expenses related to governmental activities; only \$5,653,497 of these expenses were offset by program specific charges for services and sales, grants, contributions and interest. General revenues (primarily grants, entitlements, property taxes, and income taxes) of \$23,721,716 were adequate to provide for these programs.
- The School District recorded a special item in the amount of \$3,570,919 due to a land exchange agreement entered into with the City of London.

### **Using the Basic Financial Statements**

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

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

**LONDON CITY SCHOOL DISTRICT**  
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## **Reporting the School District as a Whole**

One of the most important questions asked about the School District is “How did we do financially during fiscal year 2010?”

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

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

## **Reporting the School District's Most Significant Funds**

### **Fund Financial Statements**

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

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



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

**The School District as a Whole**

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

Table 1 provides a summary of the School District's net assets for fiscal year 2010 and fiscal year 2009:

(Table 1)  
 Net Assets  
 Governmental Activities

	2010	2009	Increase/ (Decrease)
<b><u>Assets:</u></b>			
Current and Other Assets	\$37,418,738	\$38,896,609	(\$1,477,871)
Capital Assets, Net	38,390,241	40,103,700	(1,713,459)
<i>Total Assets</i>	<u>75,808,979</u>	<u>79,000,309</u>	<u>(3,191,330)</u>
<b><u>Liabilities:</u></b>			
Other Liabilities	11,877,599	11,928,849	(51,250)
Long-Term Liabilities	25,410,995	26,563,324	(1,152,329)
<i>Total Liabilities</i>	<u>37,288,594</u>	<u>38,492,173</u>	<u>(1,203,579)</u>
<b><u>Net Assets:</u></b>			
Invested in Capital Assets, Net of Related Debt	15,324,035	15,553,827	(229,792)
Restricted	23,112,532	25,012,718	(1,900,186)
Unrestricted (Deficit)	83,818	(58,409)	142,227
<i>Total Net Assets</i>	<u>\$38,520,385</u>	<u>\$40,508,136</u>	<u>(\$1,987,751)</u>

Current and Other Assets decreased \$1,477,871. This was mainly due to the School District receiving a grant from the Ohio School Facilities Commission for renovations to the existing High School and to construct a new Middle School during fiscal year 2009, which caused receivables to be higher than usual.

Capital Assets, Net decreased \$1,713,459. This decrease was due to a land exchange agreement the School District entered into with the City of London, where the School District exchanged property with the City resulting in a large decrease to the School District.

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Total Liabilities decreased \$1,203,579. This was due primarily to a decrease in Long-Term Liabilities of \$1,152,329 resulting from annual debt payments made during the fiscal year.

During the fiscal year, Invested in Capital Assets, Net of Related Debt for governmental activities decreased \$229,792. This decrease was due mainly to a large decrease in capital assets during the fiscal year due to the land exchange agreement the School District entered into with the City of London. Restricted Net Assets decreased \$1,900,186 due to the School District receiving a grant from the Ohio School Facilities Commission for renovations to the existing High School and to construct a new Middle School during fiscal year 2009. Unrestricted Net Assets for governmental activities increased \$142,227 due mainly to an increase in grants received during the fiscal year.

Table 2 shows the changes in net assets for fiscal years 2010 and 2009:

(Table 2)  
Change in Net Assets  
Governmental Activities

	2010	2009	Increase/ (Decrease)
<b><u>Revenues:</u></b>			
Program Revenues:			
Charges for Services and Sales	\$2,846,945	\$2,897,122	(\$50,177)
Operating Grants, Contributions and Interest	2,806,552	2,383,537	423,015
Capital Grants and Contributions	0	16,990	(16,990)
<i>Total Program Revenues</i>	<u>5,653,497</u>	<u>5,297,649</u>	<u>355,848</u>
General Revenues:			
Property Taxes	11,152,437	7,482,918	3,669,519
Income Taxes	2,764,319	2,930,638	(166,319)
Revenue in Lieu of Taxes	183,955	35,596	148,359
Grants and Entitlements not			
Restricted to Specific Programs	9,450,587	31,926,050	(22,475,463)
Contributions and Donations	88,418	31,697	56,721
Interest	19,470	12,509	6,961
Miscellaneous	62,530	83,054	(20,524)
<i>Total General Revenues</i>	<u>23,721,716</u>	<u>42,502,462</u>	<u>(18,780,746)</u>
<i>Total Revenues</i>	<u>\$29,375,213</u>	<u>\$47,800,111</u>	<u>(\$18,424,898)</u>

(continued)

**LONDON CITY SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2010*  
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(Table 2)  
 Change in Net Assets  
 Governmental Activities  
 (continued)

	2010	2009	Increase/ (Decrease)
<b><u>Program Expenses:</u></b>			
Instruction:			
Regular	\$10,744,690	\$10,677,696	\$66,994
Special	3,480,713	3,737,457	(256,744)
Vocational	416,751	366,810	49,941
Adult/Continuing	37,137	37,718	(581)
Support Services:			
Pupils	982,539	784,521	198,018
Instructional Staff	1,763,845	1,418,333	345,512
Board of Education	172,366	99,197	73,169
Administration	2,105,097	1,994,994	110,103
Fiscal	692,700	629,851	62,849
Operation and Maintenance of Plant	2,966,110	2,512,425	453,685
Pupil Transportation	1,002,105	983,314	18,791
Central	310,561	176,898	133,663
Operation of Non-Instructional Services:			
Food Service Operations	813,967	829,374	(15,407)
Other	116,748	113,745	3,003
Extracurricular Activities	897,254	813,285	83,969
Interest and Fiscal Charges	1,289,462	1,324,861	(35,399)
<i>Total Expenses</i>	<u>27,792,045</u>	<u>26,500,479</u>	<u>1,291,566</u>
Excess before Special Item	1,583,168	21,299,632	(19,716,464)
Special Item	(3,570,919)	0	(3,570,919)
<i>Change in Net Assets</i>	<u>(1,987,751)</u>	<u>21,299,632</u>	<u>(23,287,383)</u>
<i>Net Assets at Beginning of Year</i>	<u>40,508,136</u>	<u>19,208,504</u>	<u>21,299,632</u>
<i>Net Assets at End of Year</i>	<u><u>\$38,520,385</u></u>	<u><u>\$40,508,136</u></u>	<u><u>(\$1,987,751)</u></u>

**Governmental Activities**

Program revenues increased \$355,848 due primarily to increases in Operating Grants, Contributions and Interest of \$423,015. The change in Operating Grants, Contributions and Interest is due to an increase in federal grant revenue received during the fiscal year.

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Grants and Entitlements not Restricted to Specific Programs accounted for \$9,450,587 of revenues for governmental activities, which is a decrease of \$22,475,463 over the prior fiscal year. The large decrease is due to the Ohio School Facilities Commission Grant that the School District received during the prior fiscal year. Property Taxes accounted for \$11,152,437 of revenues for governmental activities, which is an increase of \$3,669,519. The increase is due largely to an increase in estimated delinquent property taxes during the fiscal year due to an ailing economy, along with large increases in advanced property taxes from the County Auditor. Income Taxes accounted for \$2,764,319 for a total of \$23,367,343 of revenue coming from Property Taxes, Income Taxes and Grants and Entitlements not Restricted to Specific Programs.

During fiscal year 2010, the School District exchanged property, consisting of land and buildings, with a book value of \$3,711,499 to the City of London, for land valued at \$140,580. The difference of \$3,570,919 between the market value of the property received by the School District and the book value of the property transferred to the City has been recorded as a special item on the School District's government-wide Statement of Activities.

Program Expenses increased \$1,291,566. Special Instruction decreased \$256,744. The decrease was due to the School District having higher expenditures in the prior fiscal year in order to achieve State standards for special education. Support Services increased \$1,395,790 due primarily to increases in Pupils, Instructional Staff, Administration, and Operation and Maintenance of Plant. The increases in Pupils and Instructional staff resulted from the School District purchasing a large amount of instructional materials in alignment with State standards, along with increases in salaries and benefits. Administration and Operation and Maintenance of Plant increased due to salaries and benefits increasing, along with costs associated with the construction project that were not capitalized. The increase in Central was due to the School District purchasing new computers and equipment, which were below the School District's capitalization threshold.

### **The School District's Funds**

Information about the School District's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$37,150,246 and expenditures of \$31,046,036. The net change in fund balance for the General Fund during the fiscal year was a decrease of \$255,720. This was due to a decrease in State foundation monies, along with increases in salaries and benefits.

The Debt Service Fund balance increased \$799,367 due to an increase in property tax revenues.

The Ohio Classroom Facilities Capital Projects Fund balance increased \$4,815,482 due to an increase in grant monies received from the Ohio Classroom Facilities Commission for the High School renovations and new Middle School building projects.

**LONDON CITY SCHOOL DISTRICT**  
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**General Fund – Budget Highlights**

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

During fiscal year 2010, the School District revised its budget as it attempted to deal with unexpected changes in expenditures. A summary of the General Fund's original and final budgeted amounts is listed on page 18, as well as the actual amounts. A variance comparison is presented between the final budgeted amount and the actual amounts.

For the General Fund, original estimated revenues were \$20,693,622 and final estimated revenues were \$20,505,609. The difference of \$188,013 is due mostly to the School District overestimating State foundation revenues.

Final estimated revenues were \$20,505,609 and actual revenues were \$21,391,685. The difference of \$886,076 is due the School District receiving additional grant monies at fiscal year-end, along with a large increase in the amount of taxes advanced.

Final estimated expenditures were \$23,341,870, with original estimated expenditures of \$21,648,663, resulting in a difference of \$1,693,207, due to the School District not budgeting for principal and interest payments, along with anticipated increases in enrollment and increases in aides and equipment for special needs.

Final estimated expenditures were \$23,341,870, with actual expenditures of \$21,688,637, resulting in a difference of \$1,653,233, due to the School District conservatively watching expenditures.

The School District's ending actual fund balance in the General Fund was \$2,826,481, while the final budgeted fund balance equaled \$972,128, a difference of \$1,854,353. This difference was due to the School District closely monitoring expenditures during the fiscal year.

**Capital Assets**

At the end of fiscal year 2010, the School District had \$38,390,241 invested in capital assets (net of accumulated depreciation). Additions to capital assets included land, construction in progress for building projects, leased computer equipment, and new buses. The School District's disposals during the fiscal year were for land, buildings and improvements, and equipment. For additional information regarding the School District's capital assets, refer to Note 9 in the basic financial statements.

**LONDON CITY SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2010*  
*Unaudited*

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**Debt**

At June 30, 2010, the School District had \$23,883,797 in bonds outstanding, \$1,815,000 of which is due within one year.

The School District had \$270,000 in tax anticipation notes outstanding at fiscal year-end.

The School District had \$521,849 in capital leases outstanding at fiscal year-end, \$212,404 of which is due within one year.

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

**Current Issues**

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

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

**Contacting the School District's Financial Management**

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

## **Basic Financial Statements**

**LONDON CITY SCHOOL DISTRICT**

*Statement of Net Assets*

*June 30, 2010*

	<u>Primary Government</u> Governmental Activities	<u>Component Unit</u> London Academy
<b><u>Assets:</u></b>		
Equity in Pooled Cash and Cash Equivalents	\$13,211,483	\$0
Cash and Cash Equivalents	0	4
Materials and Supplies Inventory	7,212	0
Accrued Interest Receivable	1,397	0
Accounts Receivable	22,549	0
Intergovernmental Receivable	13,710,575	149,598
Prepaid Items	151	0
Income Taxes Receivable	1,185,272	0
Property Taxes Receivable	8,895,613	0
Revenue in Lieu of Taxes Receivable	132,934	0
Deferred Charges	251,552	0
Capital Assets:		
Land	721,430	0
Construction in Progress	3,531,508	0
Depreciable Capital Assets, Net	34,137,303	7,112
<i>Total Assets</i>	<u>75,808,979</u>	<u>156,714</u>
<b><u>Liabilities:</u></b>		
Accounts Payable	136,444	0
Contracts Payable	951,017	0
Accrued Wages and Benefits Payable	2,367,327	0
Intergovernmental Payable	756,252	0
Retainage Payable	113,706	0
Deferred Revenue	7,209,107	0
Accrued Interest Payable	73,746	0
Notes Payable	270,000	0
Long-Term Liabilities:		
Due Within One Year	2,207,019	0
Due in More Than One Year	23,203,976	0
<i>Total Liabilities</i>	<u>37,288,594</u>	<u>0</u>
<b><u>Net Assets:</u></b>		
Invested in Capital Assets, Net of Related Debt	15,324,035	7,112
Restricted for Debt Service	2,817,142	0
Restricted for Capital Projects	19,420,330	0
Restricted for Ohio School Facilities Maintenance	294,536	0
Restricted for IDEA-Part B Grant	0	42,696
Restricted for Title I Grant	117,956	104,492
Restricted for Title VI-B Grant	258,467	0
Restricted for Other Purposes	204,101	2,410
Unrestricted	83,818	4
<i>Total Net Assets</i>	<u><u>\$38,520,385</u></u>	<u><u>\$156,714</u></u>

See accompanying notes to the basic financial statements



**LONDON CITY SCHOOL DISTRICT**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2010

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Primary Government Governmental Activities	Component Unit London Academy
<b><i>Governmental Activities:</i></b>					
Instruction:					
Regular	\$10,744,690	\$2,349,812	\$139,479	(\$8,255,399)	\$0
Special	3,480,713	16,964	1,268,372	(2,195,377)	0
Vocational	416,751	0	28,640	(388,111)	0
Adult/Continuing	37,137	0	40,051	2,914	0
Support Services:					
Pupils	982,539	0	238,290	(744,249)	0
Instructional Staff	1,763,845	0	433,820	(1,330,025)	0
Board of Education	172,366	0	0	(172,366)	0
Administration	2,105,097	0	6,120	(2,098,977)	0
Fiscal	692,700	0	0	(692,700)	0
Operation and Maintenance of Plant	2,966,110	0	47,948	(2,918,162)	0
Pupil Transportation	1,002,105	0	46,239	(955,866)	0
Central	310,561	270	14,145	(296,146)	0
Operation of Non-Instructional Services:					
Food Service Operations	813,967	292,300	401,824	(119,843)	0
Other	116,748	0	118,546	1,798	0
Extracurricular Activities	897,254	187,599	23,078	(686,577)	0
Interest and Fiscal Charges	1,289,462	0	0	(1,289,462)	0
<b><i>Total Governmental Activities</i></b>	<b><u>\$27,792,045</u></b>	<b><u>\$2,846,945</u></b>	<b><u>\$2,806,552</u></b>	<b><u>(22,138,548)</u></b>	<b><u>0</u></b>
<b><i>Component Unit:</i></b>					
London Academy	<u>\$2,382,439</u>	<u>\$0</u>	<u>\$2,298,883</u>	<u>0</u>	<u>(83,556)</u>
<b><i>General Revenues and Special Item:</i></b>					
Property Taxes Levied for:					
General Purposes				7,925,465	0
Debt Service				3,226,972	0
Income Taxes				2,764,319	0
Revenue in Lieu of Taxes				183,955	0
Grants and Entitlements not					
Restricted to Specific Programs				9,450,587	0
Contributions and Donations not					
Restricted to Specific Programs				88,418	0
Interest				19,470	334
Miscellaneous				62,530	0
Special Item				(3,570,919)	0
<b><i>Total General Revenues and Special Item</i></b>				<b><u>20,150,797</u></b>	<b><u>334</u></b>
<b><i>Change in Net Assets</i></b>				<b><u>(1,987,751)</u></b>	<b><u>(83,222)</u></b>
<b><i>Net Assets at Beginning of Year - Restated (Note 22)</i></b>				<b><u>40,508,136</u></b>	<b><u>239,936</u></b>
<b><i>Net Assets at End of Year</i></b>				<b><u>\$38,520,385</u></b>	<b><u>\$156,714</u></b>

See accompanying notes to the basic financial statements

**LONDON CITY SCHOOL DISTRICT**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2010*

	General	Debt Service	Ohio Classroom Facilities	Other Governmental Funds	Total Governmental Funds
<b><u>Assets:</u></b>					
Equity in Pooled Cash and Cash Equivalents	\$3,009,153	\$2,439,402	\$6,732,235	\$1,030,693	\$13,211,483
Receivables:					
Property Taxes	6,681,745	2,213,868	0	0	8,895,613
Revenue in Lieu of Taxes	132,934	0	0	0	132,934
Income Taxes	1,185,272	0	0	0	1,185,272
Intergovernmental	0	0	13,315,631	394,944	13,710,575
Accounts	1,110	0	0	21,439	22,549
Accrued Interest	1,397	0	0	0	1,397
Interfund	65,729	0	0	0	65,729
Prepaid Items	151	0	0	0	151
Materials and Supplies Inventory	0	0	0	7,212	7,212
<b>Total Assets</b>	<b>\$11,077,491</b>	<b>\$4,653,270</b>	<b>\$20,047,866</b>	<b>\$1,454,288</b>	<b>\$37,232,915</b>
<b><u>Liabilities and Fund Balances:</u></b>					
<b><u>Liabilities:</u></b>					
Accounts Payable	\$120,816	\$0	\$3,566	\$12,062	\$136,444
Contracts Payable	0	0	951,017	0	951,017
Accrued Wages and Benefits Payable	2,314,926	0	0	52,401	2,367,327
Intergovernmental Payable	686,768	0	0	69,484	756,252
Accrued Interest Payable	1,406	0	0	0	1,406
Interfund Payable	0	0	0	65,729	65,729
Retainage Payable	0	0	113,706	0	113,706
Notes Payable	270,000	0	0	0	270,000
Deferred Revenue	6,427,102	1,977,156	13,315,631	336,704	22,056,593
<b>Total Liabilities</b>	<b>9,821,018</b>	<b>1,977,156</b>	<b>14,383,920</b>	<b>536,380</b>	<b>26,718,474</b>
<b><u>Fund Balances:</u></b>					
Reserved for Encumbrances	143,036	0	312,098	12,875	468,009
Reserved for Property Taxes	564,681	236,712	0	0	801,393
Unreserved, Undesignated, Reported in:					
General Fund	548,756	0	0	0	548,756
Special Revenue Funds	0	0	0	464,280	464,280
Debt Service Fund	0	2,439,402	0	0	2,439,402
Capital Projects Funds	0	0	5,351,848	440,753	5,792,601
<b>Total Fund Balances</b>	<b>1,256,473</b>	<b>2,676,114</b>	<b>5,663,946</b>	<b>917,908</b>	<b>10,514,441</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$11,077,491</b>	<b>\$4,653,270</b>	<b>\$20,047,866</b>	<b>\$1,454,288</b>	<b>\$37,232,915</b>

See accompanying notes to the basic financial statements

**LONDON CITY SCHOOL DISTRICT**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 June 30, 2010*

**Total Governmental Fund Balances** \$10,514,441

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

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

Land	721,430	
Construction in progress	3,531,508	
Depreciable capital assets	48,272,530	
Accumulated depreciation	(14,135,227)	
Total capital assets	38,390,241	38,390,241

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

Delinquent property taxes	885,113	
Revenue in lieu of taxes	132,934	
Income taxes	177,104	
Intergovernmental	13,652,335	
	14,847,486	14,847,486

Bond issuance costs reported as an expenditure in governmental funds are allocated as an expense over the life of the debt on a full accrual basis. 251,552

In the Statement of Activities, interest is accrued on outstanding general obligation bonds, whereas in governmental funds, an interest expenditure is reported when due. (72,340)

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

Bonds payable	(22,169,864)	
Accretion on bonds	(1,087,888)	
Loss on refunding	503,575	
Premium on debt issue	(1,129,620)	
Capital leases	(521,849)	
Compensated absences	(1,005,349)	
Total liabilities	(25,410,995)	(25,410,995)

**Net Assets of Governmental Activities** \$38,520,385

See accompanying notes to the basic financial statements

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

	General	Debt Service	Ohio Classroom Facilities	Other Governmental Funds	Total Governmental Funds
<b><u>Revenues:</u></b>					
Property Taxes	\$7,280,922	\$3,024,227	\$0	\$0	\$10,305,149
Revenue in Lieu of Taxes	183,955	0	0	0	183,955
Income Taxes	2,783,518	0	0	0	2,783,518
Intergovernmental	9,239,495	399,635	8,443,820	2,754,079	20,837,029
Interest	15,113	0	3,820	537	19,470
Tuition and Fees	479,758	0	0	0	479,758
Extracurricular Activities	12,690	0	0	175,179	187,869
Customer Sales and Services	1,883,287	0	0	292,300	2,175,587
Contributions and Donations	96	0	0	111,400	111,496
Rent	3,885	0	0	0	3,885
Miscellaneous	50,840	0	0	11,690	62,530
<b>Total Revenues</b>	<b>21,933,559</b>	<b>3,423,862</b>	<b>8,447,640</b>	<b>3,345,185</b>	<b>37,150,246</b>
<b><u>Expenditures:</u></b>					
Current:					
Instruction:					
Regular	9,333,259	0	0	609,145	9,942,404
Special	2,812,631	0	0	544,434	3,357,065
Vocational	392,652	0	0	0	392,652
Adult/Continuing	0	0	0	37,137	37,137
Support Services:					
Pupils	737,570	0	0	184,691	922,261
Instructional Staff	1,177,985	0	0	367,757	1,545,742
Board of Education	172,366	0	0	0	172,366
Administration	1,958,906	0	0	6,326	1,965,232
Fiscal	617,510	55,725	0	0	673,235
Operation and Maintenance of Plant	2,374,473	0	3,566	57,392	2,435,431
Pupil Transportation	1,003,546	0	0	34,747	1,038,293
Central	295,462	0	0	14,243	309,705
Operation of Non-Instructional Services:					
Food Service Operations	0	0	0	737,678	737,678
Other	0	0	0	116,748	116,748
Extracurricular Activities	512,109	0	0	251,288	763,397
Capital Outlay	257,337	0	3,628,592	0	3,885,929
Debt Service:					
Principal Retirement	140,894	1,670,000	0	0	1,810,894
Interest and Fiscal Charges	41,097	898,770	0	0	939,867
<b>Total Expenditures</b>	<b>21,827,797</b>	<b>2,624,495</b>	<b>3,632,158</b>	<b>2,961,586</b>	<b>31,046,036</b>
Excess of Revenues Over Expenditures	105,762	799,367	4,815,482	383,599	6,104,210
<b><u>Other Financing Sources (Uses):</u></b>					
Inception of Capital Lease	257,337	0	0	0	257,337
Transfers In	11,592	0	0	630,411	642,003
Transfers Out	(630,411)	0	0	(11,592)	(642,003)
<b>Total Other Financing Sources (Uses)</b>	<b>(361,482)</b>	<b>0</b>	<b>0</b>	<b>618,819</b>	<b>257,337</b>
<b>Net Change in Fund Balances</b>	<b>(255,720)</b>	<b>799,367</b>	<b>4,815,482</b>	<b>1,002,418</b>	<b>6,361,547</b>
<b>Fund Balances (Deficit) at Beginning of Year - Restated (Note 22)</b>	<b>1,512,193</b>	<b>1,876,747</b>	<b>848,464</b>	<b>(84,510)</b>	<b>4,152,894</b>
<b>Fund Balances at End of Year</b>	<b>\$1,256,473</b>	<b>\$2,676,114</b>	<b>\$5,663,946</b>	<b>\$917,908</b>	<b>\$10,514,441</b>

See accompanying notes to the basic financial statements

**LONDON CITY SCHOOL DISTRICT**  
*Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Fiscal Year Ended June 30, 2010*

**Net Change in Fund Balances - Total Governmental Funds** \$6,361,547

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

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

Capital assets additions	681,734	
Construction in progress additions	3,153,704	
Depreciation expense	<u>(1,837,398)</u>	
Excess of depreciation expense under capital outlay		1,998,040

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

Loss on disposal of capital assets		(3,711,499)
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Because some revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.

Delinquent property taxes	847,288	
Income taxes	(19,199)	
Intergovernmental	(8,605,257)	
Customer Sales and Services	<u>(154)</u>	
		(7,777,322)

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

Amortization of bond issuance costs	(15,961)	
Amortization of bond premium	71,965	
Amortization of deferred loss	(125,894)	
Decrease in accrued interest payable	5,115	
Accretion on bonds	<u>(284,820)</u>	
		(349,595)

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

(257,337)

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

Bond payments	1,670,000	
Capital lease payments	<u>140,894</u>	
		1,810,894

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

Increase in compensated absences payable		<u>(62,479)</u>
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**Change in Net Assets of Governmental Activities** (\$1,987,751)

See accompanying notes to the basic financial statements

**LONDON CITY SCHOOL DISTRICT**  
*Statement of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual (Budget Basis)*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2010*

	Budgeted Amounts		Actual	Variance With Final Budget Over/(Under)
	Original	Final		
<b><u>Revenues:</u></b>				
Property Taxes	\$6,065,230	\$6,010,124	\$6,716,241	\$706,117
Revenue in Lieu of Taxes	185,642	183,955	183,955	0
Income Taxes	2,851,000	2,825,097	2,824,695	(402)
Intergovernmental	9,002,989	8,921,192	9,195,832	274,640
Interest	23,631	23,416	17,938	(5,478)
Tuition and Fees	478,453	474,106	479,758	5,652
Extracurricular Activities	43,628	43,232	12,690	(30,542)
Customer Sales and Services	1,900,555	1,883,287	1,883,287	0
Contributions and Donations	490	486	96	(390)
Rent	4,314	4,275	3,885	(390)
Miscellaneous	137,690	136,439	73,308	(63,131)
<b>Total Revenues</b>	20,693,622	20,505,609	21,391,685	886,076
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	10,954,974	9,995,944	9,238,586	757,358
Special	2,728,745	2,956,620	2,789,935	166,685
Vocational	318,605	410,305	402,706	7,599
Support Services:				
Pupils	638,334	758,609	721,476	37,133
Instructional Staff	1,037,984	1,180,949	1,150,572	30,377
Board of Education	115,843	208,512	170,915	37,597
Administration	1,776,174	2,021,321	1,961,346	59,975
Fiscal	524,846	658,295	598,933	59,362
Operation and Maintenance of Plant	1,710,624	2,656,983	2,399,913	257,070
Pupil Transportation	972,096	1,113,636	979,483	134,153
Central	436,398	558,417	477,414	81,003
Extracurricular Activities	434,040	543,073	518,152	24,921
Debt Service:				
Principal Retirement	0	255,000	255,000	0
Interest and Fiscal Charges	0	24,206	24,206	0
<b>Total Expenditures</b>	21,648,663	23,341,870	21,688,637	1,653,233
Excess of Revenues Over (Under) Expenditures	(955,041)	(2,836,261)	(296,952)	2,539,309
<b><u>Other Financing Sources (Uses):</u></b>				
Proceeds from Sale of Capital Assets	5,374	5,325	1,023	(4,302)
Transfers In	489,239	484,794	11,592	(473,202)
Transfers Out	0	(642,003)	(630,411)	11,592
Advances In	221,052	219,044	0	(219,044)
Advances Out	0	(65,729)	(65,729)	0
<b>Total Other Financing Sources (Uses)</b>	715,665	1,431	(683,525)	(684,956)
<b>Net Change in Fund Balance</b>	(239,376)	(2,834,830)	(980,477)	1,854,353
<b>Fund Balance at Beginning of Year</b>	3,643,870	3,643,870	3,643,870	0
<b>Prior Year Encumbrances Appropriated</b>	163,088	163,088	163,088	0
<b>Fund Balance at End of Year</b>	\$3,567,582	\$972,128	\$2,826,481	\$1,854,353

See accompanying notes to the basic financial statements

**LONDON CITY SCHOOL DISTRICT**  
*Statement of Fiduciary Net Assets*  
*Fiduciary Funds*  
*June 30, 2010*

	Private Purpose Trust	Agency
<b><u>Assets:</u></b>		
Equity in Pooled Cash and Cash Equivalents	\$17,436	\$79,251
Receivables:		
Accrued Interest	507	0
<i>Total Assets</i>	17,943	\$79,251
<b><u>Liabilities:</u></b>		
Due to Other Governments	0	\$2
Due to Students	0	65,787
Undistributed Monies	0	13,462
<i>Total Liabilities</i>	0	\$79,251
<b><u>Net Assets:</u></b>		
Held in Trust for Scholarships	\$17,943	

See accompanying notes to the basic financial statements

**LONDON CITY SCHOOL DISTRICT**  
*Statement of Changes in Fiduciary Net Assets*  
*Fiduciary Fund*  
*For the Fiscal Year Ended June 30, 2010*

	Private Purpose Trust
	Scholarships
<b><u>Additions:</u></b>	
Interest	\$410
<b><u>Deductions:</u></b>	
Scholarships	362
<i>Change in Net Assets</i>	48
<i>Net Assets at Beginning of Year</i>	17,895
<i>Net Assets at End of Year</i>	\$17,943

See accompanying notes to the basic financial statements



**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

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

The School District serves an area of approximately 54 square miles. The School District is located in Madison County and encompasses all of the City of London and portions of Deer Creek, Somerford, and Union Townships. It is staffed by 80 non-certificated employees, 161 certificated full-time teaching personnel and 20 administrative employees who provide services to 2,089 students. The School District currently operates four instructional buildings, one administrative building and one bus garage.

*Reporting Entity*

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

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

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

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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

**Discretely Presented Component Unit**

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

*London Academy*

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

The information presented in Notes 2 through 23 relates to the primary government. Information related to the discretely presented component unit is presented in Note 24.

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

Jointly Governed Organizations:

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

Public Entity Shared Risk Pool:

Schools of Ohio Risk Sharing Authority

Insurance Purchasing Pool:

Ohio School Boards Association Workers’ Compensation Group Rating  
Plan

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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

Related Organization:  
London Public Library

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Basis of Presentation**

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

*Government-wide Financial Statements*

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

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

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

*Fund Financial Statements*

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

**Fund Accounting**

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

*Governmental Funds*

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

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

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

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

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

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

*Fiduciary Funds*

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

**Measurement Focus**

*Government-wide Financial Statements*

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

*Fund Financial Statements*

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

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

**Basis of Accounting**

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

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

*Revenues - Exchange and Non-exchange Transactions*

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

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

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

*Deferred Revenue*

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

Property taxes for which there is an enforceable legal claim as of June 30, 2010, but which were levied to finance fiscal year 2011 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

*Expenses/Expenditures*

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

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

**Cash and Cash Equivalents**

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

During fiscal year 2010, the School District invested in a repurchase agreement which is reported at cost.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2010 amounted to \$15,113, which includes \$8,905 from other School District funds.

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

**Interfund Balances**

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

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2010, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Inventory**

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

**Capital Assets**

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

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

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

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

**Compensated Absences**

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



**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

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

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

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

As permitted by State statute, the School District paid bond issuance costs from the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

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

**Accrued Liabilities and Long-Term Obligations**

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

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

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Fund Balance Reserves**

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

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute.

**Net Assets**

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

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

**Budgetary Process**

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

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

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

**Internal Activity**

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

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

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

**Estimates**

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

**Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the School District and that are either unusual in nature or infrequent in occurrence. The School District did not have any extraordinary items. However, the School District incurred a special item as a result of capital assets transactions (Note 9).

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 3 – ACCOUNTABILITY**

**Accountability**

At June 30, 2010, the following funds had a deficit fund balance:

<u>Funds</u>	<u>Amounts</u>
Cafeteria	\$97,970
Education Management Information Systems	110
Fiscal Stabilization	322
Title II-D	4,833

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

**NOTE 4 – BUDGETARY BASIS OF ACCOUNTING**

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.
5. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 4 – BUDGETARY BASIS OF ACCOUNTING** (continued)

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

<u>Net Change in Fund Balance</u>	
GAAP Basis	(\$255,720)
Adjustments:	
Revenue Accruals	(798,039)
Expenditure Accruals	321,683
Unrecorded Cash	(149)
Advances	(65,729)
Encumbrances	<u>(182,523)</u>
Budget Basis	<u><u>(\$980,477)</u></u>

**NOTE 5 – DEPOSITS AND INVESTMENTS**

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

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

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

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

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

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 5 – DEPOSITS AND INVESTMENTS** (continued)

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

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

Investments: At June 30, 2010, the School District had \$936,837 invested in a repurchase agreement with Huntington National Bank which will mature in less than one year.

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

Credit Risk: The underlying securities of the repurchase agreement are Government National Mortgage Association notes, which carry a credit rating of AAA by Standard and Poor's.

Concentration of Credit Risk: The School District's investment policy follows State statute, which limits investments in commercial paper and bankers' acceptances to 25 percent of the interim monies available for investment at any one time.

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 6 – PROPERTY TAXES**

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2010 represents collections of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed value listed as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2010 represents collections of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien December 31, 2008, were levied after April 1, 2009 and are collected in calendar year 2010 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2010 (other than public utility property tax) represents 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 the value as of December 31, 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Madison County. The Madison County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 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.

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 6 – PROPERTY TAXES** (continued)

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 prior to June 30, 2010, was \$564,681 in the General Fund and \$236,712 in the Debt Service Fund. The amount received as an advance prior to June 30, 2009, was \$1,159,400 in the General Fund and \$451,500 in the Debt Service Fund

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.

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

	2009 Second- Half Collections		2010 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$289,159,280	96.88%	\$289,377,530	97.09%
Public Utility Personal	8,537,920	2.86%	8,667,490	2.91%
General Business Personal	788,700	0.26%	0	0.00%
Total Assessed Value	\$298,485,900	100.00%	\$298,045,020	100.00%
 Tax rate per \$1,000 of assessed valuation	 \$45.30		 \$46.30	

**NOTE 7 – INCOME TAX**

The School District levies a voted tax of one percent for general operations on the income of residents and of estates. The School District passed an income tax renewal on May 4, 2010. The renewal levy will expire during fiscal year 2016. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund.



**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 8 – RECEIVABLES**

Receivables at June 30, 2010, consisted of property taxes, revenue in lieu of taxes, income taxes, intergovernmental grants, accounts, accrued interest, and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivable amounts are expected to be received within one year with the exception of the Ohio School Facilities Commission Grant and delinquent property and income taxes. The Ohio School Facilities Commission Grant monies will be collected over the life of the construction of the new facilities. Property and income taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amount
<u>Governmental Activities:</u>	
Cafeteria Fund - Federal Reimbursements	\$52,113
Title I	87,884
Title I - School Improvement Subsidy	60
Title II-A	43,703
Title II-D - Technology	5,368
Safe and Drug Free Schools	619
Special Education, Part B-IDEA	180,802
Early Childhood Special Education, IDEA	3,557
Early Childhood Special Education, IDEA - ARRA	7,282
Adult Basic Literacy Education	13,556
Ohio Schools Facilities Commission	13,315,631
Total Intergovernmental Receivables	\$13,710,575

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

**Revenue in Lieu of Taxes**

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

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2010

**NOTE 9 – CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2010, was as follows:

	Balance at 6/30/09	Additions	Deletions	Balance at 6/30/10
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$884,550	\$140,580	(\$303,700)	\$721,430
Construction in Progress	377,804	3,153,704	0	3,531,508
Total Capital Assets, Not Being Depreciated	1,262,354	3,294,284	(303,700)	4,252,938
Capital Assets, Being Depreciated:				
Land Improvements	3,746,544	0	(58,865)	3,687,679
Buildings and Improvements	46,407,518	0	(5,726,114)	40,681,404
Furniture, Fixtures and Equipment	1,345,786	287,217	(31,311)	1,601,692
Vehicles	1,191,446	253,937	0	1,445,383
Textbooks and Software	856,372	0	0	856,372
Total Capital Assets, Being Depreciated	53,547,666	541,154	(5,816,290)	48,272,530
Less Accumulated Depreciation:				
Land Improvements	(1,968,037)	(168,981)	58,865	(2,078,153)
Building and Improvements	(10,805,097)	(1,269,967)	2,318,845	(9,756,219)
Furniture, Fixtures and Equipment	(548,808)	(193,442)	30,781	(711,469)
Vehicles	(667,517)	(112,001)	0	(779,518)
Textbooks and Software	(716,861)	(93,007)	0	(809,868)
Total Accumulated Depreciation	(14,706,320)	(1,837,398) *	2,408,491	(14,135,227)
Total Capital Assets, Being Depreciated, Net	38,841,346	(1,296,244)	(3,407,799)	34,137,303
Governmental Activities				
Capital Assets, Net	\$40,103,700	\$1,998,040	(\$3,711,499)	\$38,390,241

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 9 – CAPITAL ASSETS** (continued)

During fiscal year 2010, the School District exchanged property, consisting of land and buildings, with a book value of \$3,711,499 to the City of London, for land valued at \$140,580. The difference between the market value of the property received by the School District and the book value of the property transferred to the City has been recorded as a special item on the School District's government-wide Statement of Activities.

\* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$795,156
Special	121,797
Vocational	24,236
Support Services:	
Pupils	48,667
Instructional Staff	219,321
Administration	124,430
Fiscal	15,842
Operation and Maintenance of Plant	79,679
Pupil Transportation	185,056
Central	11,877
Operation of Non-Instructional Services:	
Food Service Operations	81,651
Extracurricular Activities	129,686
Total Depreciation Expense	<u><u>\$1,837,398</u></u>

**NOTE 10 – RISK MANAGEMENT**

**Property and Liability Insurance**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2010, the School District contracted with Schools of Ohio Risk Sharing Authority (SORSA) (Note 18) for property, fleet, and liability insurance.

General liability insurance is maintained in the amount of \$11,000,000 for each occurrence and \$13,000,000 for the general aggregate. Other liability insurance includes \$11,000,000 for automobile liability. The School District maintains replacement cost insurance on buildings and contents in the blanket amount of \$71,350,217. The School District also carries equipment breakdown coverage in the amount of \$50,000,000.

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

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 10 – RISK MANAGEMENT** (continued)

**Workers' Compensation**

For fiscal year 2010, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP. Each fiscal year, the School District pays an enrollment fee to the GRP to cover the costs of administering the program.

**NOTE 11 – DEFINED BENEFIT PENSION PLANS**

**School Employees Retirement System**

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 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 may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009, and 2008 were \$486,455, \$242,429, and \$232,561, respectively; 48.41 percent has been contributed for fiscal year 2010 and 100 percent for the fiscal years 2009 and 2008.

**NOTE 11 – DEFINED BENEFIT PENSION PLANS** (continued)

**State Teachers Retirement System of Ohio**

Plan Description – The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad Street, Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at [www.strsoh.org](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 of credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
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**NOTE 11 – DEFINED BENEFIT PENSION PLANS** (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 School 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 School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009, and 2008 were \$1,310,173, \$1,210,645, and \$1,153,326, respectively; 83.11 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$31,369 made by the plan members and \$43,916 made by the School District.

**NOTE 12 – POSTEMPLOYMENT BENEFITS**

**School Employees Retirement System**

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 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.

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 12 – POSTEMPLOYMENT BENEFITS** (continued)

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

The School District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008, were \$70,838, \$164,276, and \$156,256, respectively; 48.41 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2010, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008 were \$28,928, \$20,002, and \$16,757, respectively; 48.41 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

**State Teachers Retirement System of Ohio**

Plan Description – The School District contributes to the cost-sharing, multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting [www.strsoh.org](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 one percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$100,783, \$93,127, and \$88,717, respectively; 83.11 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

**NOTE 13 – EMPLOYEE BENEFITS**

**Compensated Absences**

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

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

Employees who have been employed by the School District for a minimum of 10 consecutive years at the time of retirement are entitled to retirement severance pay. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit. In addition, beginning July 1, 1986 and each contract year thereafter, a bargaining unit member may accrue one additional day of severance pay for each contract year that the bargaining member used zero days of sick leave and personal leave.

**Employee Benefits**

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

**Deferred Compensation**

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



**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2010

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**NOTE 14 – CAPITAL LEASE – LESSEE DISCLOSURE**

During the fiscal year, the School District entered into a capitalized lease for computer hardware and equipment. In prior fiscal years, the School District entered into capitalized leases for a copier and computer hardware and equipment. These leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, “Accounting for Leases,” which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

The equipment acquired by the leases was initially capitalized in the amount of \$887,664 which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded on the Statement of Net Assets for governmental activities. Principal payments in fiscal year 2010 totaled \$140,894 and were paid from the General Fund.

The assets acquired through the capital leases are as follows:

	Asset Value	Accumulated Depreciation	Net Book Value
Asset:			
Furniture, Fixtures, and Equipment	\$887,664	(\$275,902)	\$611,762

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2010.

Fiscal Year Ending June 30,	Total Payments
2011	\$235,925
2012	211,300
2013	89,250
2014	31,842
Total	568,317
Less: Amount Representing Interest	(46,468)
Present Value of Net Minimum Lease Payments	\$521,849

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2010

**NOTE 15 – LONG-TERM OBLIGATIONS**

The changes in the School District’s long-term obligations during fiscal year 2010 were as follows:

	Principal Outstanding 6/30/09	Additions	Deductions	Principal Outstanding 6/30/10	Amounts Due Within One Year
<i>Governmental Activities:</i>					
<i>School Facilities Construction and Improvement Bonds 2001</i>					
Serial Bonds - 4.92%	\$8,800,000	\$0	\$1,410,000	\$7,390,000	\$1,545,000
<i>London Refunding Series 2005</i>					
Serial Bonds - 3.00% - 4.35%	5,635,000	0	120,000	5,515,000	125,000
Term Bonds - 3.00% - 4.35%	750,000	0	0	750,000	0
Capital Appreciation Bonds - 10.33%	909,909	0	0	909,909	0
<i>Accretion on Capital</i>					
Appreciation Bonds	402,081	139,027	0	541,108	0
Premium on Refunding Series 2005	582,214	0	27,724	554,490	0
Loss on Refunding Series 2005	(297,592)	0	(59,518)	(238,074)	0
<i>London Refunding Series 2006</i>					
Serial Bonds - 3.50% - 4.00%	5,675,000	0	140,000	5,535,000	145,000
Term Bonds - 3.50% - 4.00%	1,070,000	0	0	1,070,000	0
Capital Appreciation Bonds - 10.15%	999,955	0	0	999,955	0
<i>Accretion on Capital</i>					
Appreciation Bonds	400,987	145,793	0	546,780	0
Premium on Refunding Series 2006	619,371	0	44,241	575,130	0
Loss on Refunding Series 2006	(331,877)	0	(66,376)	(265,501)	0
Capital Leases	405,406	257,337	140,894	521,849	212,404
Compensated Absences	942,870	208,744	146,265	1,005,349	179,615
Total Governmental Activities					
Long-Term Obligations	<u>\$26,563,324</u>	<u>\$750,901</u>	<u>\$1,903,230</u>	<u>\$25,410,995</u>	<u>\$2,207,019</u>

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

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 15 – LONG-TERM OBLIGATIONS** (continued)

*London Refunding Series Bonds 2005* - On October 13, 2005, the School District issued \$7,784,909 in General Obligation Bonds to advance refund a portion of the outstanding School Facilities Construction and Improvement 2001 General Obligation Bonds. At June 30, 2010, \$7,784,909 of the refunded bonds were outstanding.

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

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

The capital appreciation bonds issued at \$909,909, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal year 2016 in the amount of \$2,525,000. Accretion on the capital appreciation bonds for fiscal year 2010 was \$139,027.

The bonds will be retired from the Debt Service Fund.

*London Refunding Series Bonds 2006* - On January 5, 2006, the School District issued \$8,159,955 in General Obligation Bonds to advance refund a portion of the outstanding School Facilities Construction and Improvement 2001 General Obligation Bonds. At June 30, 2010, \$8,159,955 of the refunded bonds were outstanding.

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

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

The capital appreciation bonds issued at \$999,955 are not subject to prior redemption. The capital appreciation bonds will mature in fiscal year 2015 in the amount of \$2,415,000. Accretion on the capital appreciation bonds for fiscal year 2010 was \$145,793.

The bonds will be retired from the Debt Service Fund.

Capital leases will be paid from the General Fund. Compensated absences will be paid from the General Fund and the Food Service Special Revenue Fund.

The School District's overall legal debt margin was \$7,259,532 with an unvoted debt margin of \$297,259 at June 30, 2010.

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2010

**NOTE 15 – LONG-TERM OBLIGATIONS** (continued)

Principal and interest requirements to retire the general obligation debt outstanding at June 30, 2010, are as follows:

Fiscal Year Ending June 30,	Serial Bonds Principal	Serial Bonds Interest	Capital Appreciation Bonds Principal	Capital Appreciation Bonds Interest	Term Bonds	Total
2011	\$1,815,000	\$833,055	\$0	\$0	\$0	\$2,648,055
2012	1,965,000	759,150	0	0	0	2,724,150
2013	2,325,000	661,425	0	0	0	2,986,425
2014	2,425,000	541,111	0	0	0	2,966,111
2015	145,000	476,999	999,955	1,415,045	0	3,036,999
2016-2020	3,220,000	1,904,538	909,909	1,615,091	1,070,000	8,719,538
2021-2025	2,500,000	1,201,654	0	0	750,000	4,451,654
2026-2030	4,045,000	449,144	0	0	0	4,494,144
Total	<u>\$18,440,000</u>	<u>\$6,827,076</u>	<u>\$1,909,864</u>	<u>\$3,030,136</u>	<u>\$1,820,000</u>	<u>\$32,027,076</u>

**NOTE 16 – NOTES PAYABLE**

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

	Principal Outstanding 6/30/09	Additions	Deductions	Principal Outstanding 6/30/10
<u>Governmental Activities:</u>				
Tax Anticipation Notes - 5.75%	\$525,000	\$0	\$255,000	\$270,000

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

The annual maturities of the tax anticipation notes as of June 30, 2010, are as follows:

Tax Anticipation Notes			
Fiscal year Ending June 30,	Principal	Interest	Total
2011	<u>\$270,000</u>	<u>\$8,438</u>	<u>\$278,438</u>

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 17 – INTERFUND ACTIVITY**

Interfund balances at June 30, 2010, consist of the following interfund receivable and payable:

		<b>Receivable</b>
		<b>General Fund</b>
	<b>Payable</b>	
	Other	
	Governmental Funds	\$65,729

During fiscal year 2010, several Other Governmental Funds had negative cash balances. The General Fund made advances totaling \$65,729 to eliminate the negative balances in these Other Governmental Funds.

The following table shows transfers made during the fiscal year:

		<b>Transfers From</b>		
		<b>General Fund</b>	<b>Other Governmental Funds</b>	<b>Total</b>
	<b>Transfers To</b>			
	General	\$0	\$11,592	\$11,592
	Other			
	Governmental Funds	630,411	0	630,411
	Totals	\$630,411	\$11,592	\$642,003

During fiscal year 2010, the General Fund had transfers to Other Governmental Funds to subsidize the cost of various programs. Other Governmental Funds had transfers to the General Fund due to a posting error in the prior fiscal year and the closing of programs.

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

**Jointly Governed Organizations**

*Metropolitan Educational Council*

The School District participates in the Metropolitan Educational Council (MEC), a jointly governed organization. The organization is composed of over 100 members, which includes school districts, joint vocational schools, educational service centers, and libraries covering 24 counties in Central Ohio. MEC helps its members purchase services, insurances, supplies, and other items at a discounted rate. The governing board of MEC is composed of either the superintendent, a designated representative or a member of the board of education for each participating school district in Franklin County (18 school districts) and one representative from each county outside Franklin County. Each fiscal year, the participating school districts pay a membership fee to MEC to cover the costs of administering the program. The School District paid \$2,000 to MEC during fiscal year 2010. Financial information may be obtained from the Metropolitan Educational Council, Sue Ward, who serves as fiscal officer, at 2100 Citygate Drive, Columbus, OH 43219.

*Tolles Career and Technical Center*

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

*Central Madison Joint Recreation District*

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

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

(continued)

**Public Entity Shared Risk Pool**

*Schools of Ohio Risk Sharing Authority*

The School District participates in the Schools of Ohio Risk Sharing Authority (SORSA), a risk sharing insurance pool. The pool consists of 62 school districts, joint vocational schools, and educational service centers throughout Ohio who pool risk for property, crime, liability, boiler and machinery, and public official liability coverage. SORSA is governed by a board of trustees elected by members. The School District pays an annual premium to SORSA for this coverage. The premium for fiscal year 2010 equaled \$69,334 for property, fleet, and liability insurance. Reinsurance is purchased to cover claims exceeding the coverage amount and for all claims related to equipment breakdown coverage. In the event that the School District would withdraw from SORSA, the School District would be required to give advance written notice prior to the end of their three year contract. There is no penalty for early withdrawal and the School District would not be held responsible for any outstanding claims.

**Insurance Purchasing Pool**

*Ohio School Boards Association Workers' Compensation Group Rating Plan*

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

**Related Organization**

*London Public Library*

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

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 19 – SET-ASIDE CALCULATIONS**

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

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

	Textbooks and Instructional Materials	Capital Acquisitions
Set-aside Reserve Balance as of June 30, 2009	(\$274,810)	\$0
Current Fiscal Year Set-aside Requirement	344,608	344,608
Qualifying Disbursements	(527,307)	(702,733)
Set-aside Reserve Balance as of June 30, 2010	(\$457,509)	(\$358,125)
Required Set-aside Balances Carried Forward to FY 2011	(\$457,509)	\$0

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

**NOTE 20 – CONTINGENCIES**

**Grants**

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2010.



**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 20 – CONTINGENCIES** (continued)

**Litigation**

The School District is not party to any legal proceedings.

**NOTE 21 – CONTRACTUAL COMMITMENTS**

The following table provides a summary of the outstanding contractual commitments for various projects as of June 30, 2010:

<u>Contractor</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Amount Outstanding</u>
SHP Leading Design	\$1,268,644	\$994,199	\$274,445
Stan & Associates, Inc.	92,487	26,933	65,554
Jackson Geothermal	538,950	426,416	112,534
HINA Environmental Solutions	37,255	21,755	15,500
Lawhon & Associates, Inc.	16,410	8,005	8,405
Professional Services Industries	79,427	18,241	61,186
Quandel	1,196,557	459,605	736,952
Gutridge Plumbing	176,300	9,550	166,750
General Temperature Control	2,490,000	405,870	2,084,130
Roger Storer & Son	668,400	74,571	593,829
Mark Allard Excavation	1,267,137	1,113,377	153,760
	<u>\$7,831,567</u>	<u>\$3,558,522</u>	<u>\$4,273,045</u>

**NOTE 22 – CHANGES IN ACCOUNTING PRINCIPLES AND CORRECTION OF PRIOR YEAR ERRORS**

**Changes in Accounting Principles**

For fiscal year 2010, the School District has implemented Governmental Accounting Standard Board (GASB) Statement No. 51, “Accounting and Financial Reporting for Intangible Assets”, Statement No. 53, “ Accounting and Financial Reporting for Derivative Instruments”, Statement No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”, and Statement No. 58, “Accounting and Financial Reporting for Chapter 9 Bankruptcies”.

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not result in any change to the School District’s financial statements.

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
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**NOTE 22 – CHANGES IN ACCOUNTING PRINCIPLES AND CORRECTION OF PRIOR YEAR ERRORS** (continued)

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. It requires governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in their economic resources measurement focus financial statements. The implementation of this statement did not result in any change in the School District's financial statements.

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this Statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and funding progress information. The implementation of this statement did not result in any change in the School District's financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this Statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change in the School District's financial statements.

**Correction of Prior Year Errors**

During fiscal year 2010, the School District changed the accounting treatment applied to Revenue in Lieu of Taxes Receivable transactions related to the tax increment financing districts and tax increment financing agreements. The School District, based on additional guidance from GASB, views these transactions as non-exchange transactions and has recognized a one year Revenue in Lieu of Taxes Receivable and Deferred Revenue. In previous fiscal years, the School District viewed these transactions as exchange transactions.

This restatement had the following effect on net assets at June 30, 2009, as previously reported:

	Governmental Activities
Net Assets, June 30, 2009, as previously reported	<u>\$40,774,004</u>
Revenue in Lieu of Taxes Receivable	<u>(265,868)</u>
Net Assets, June 30, 2009, as restated	<u><u>\$40,508,136</u></u>

**LONDON CITY SCHOOL DISTRICT**  
*Notes to the Basic Financial Statements*  
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**NOTE 22 – CHANGES IN ACCOUNTING PRINCIPLES AND CORRECTION OF PRIOR YEAR ERRORS** (continued)

Accrued Wages and Benefits and Intergovernmental Payables at June 30, 2009 were overstated in the Other Governmental Funds and understated in the General Fund. This restatement had the following effect on fund balance at June 30, 2009:

	General Fund	Other Governmental Funds
Fund Balance, June 30, 2009, as previously reported	\$1,546,954	(\$119,271)
Change in Accrued Wages and Benefits and Intergovernmental Payables	(34,761)	34,761
Fund Balance, June 30, 2009, as restated	\$1,512,193	(\$84,510)

**NOTE 23 – RELATED PARTY TRANSACTION**

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

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

**NOTE 24 – DISCRETELY PRESENTED COMPONENT UNIT**

During fiscal year 2010, the Academy paid London City School District \$2,367,234 for personnel (all teaching and administrative personnel are employees of London City School District); insurance; pension and retirement benefits; curriculum materials, textbooks, computers and other equipment, software, and supplies; as well as utilities, janitorial services, legal and financial management services, and sponsorship services.

**London Academy**

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

**LONDON CITY SCHOOL DISTRICT**  
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**NOTE 24 – DISCRETELY PRESENTED COMPONENT UNIT** (continued)

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

**Basis Of Presentation**

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

**Measurement Focus and Basis of Accounting**

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

**Cash and Cash Equivalents**

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

**Intergovernmental Receivable**

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

**Capital Assets**

A summary of London Academy's capital assets at June 30, 2010, follows:

Furniture, Fixtures and Equipment	\$88,621
Less: Accumulated Depreciation	<u>(81,509)</u>
Capital Assets, Net	<u><u>\$7,112</u></u>

**LONDON CITY SCHOOL DISTRICT**  
**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

**LONDON CITY SCHOOL DISTRICT**

***Nonmajor Governmental Fund Descriptions***

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***SPECIAL REVENUE FUNDS***

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

***Nonmajor Special Revenue Funds***

Cafeteria

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

Education Foundation

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

Public School Support

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

Underground Storage Tank

To account for the mandated amount for school districts who have underground storage tanks on their property. The balance was transferred out in order to close the fund during the fiscal year. The School District no longer has the underground storage tank.

Ohio Classroom Facilities Maintenance

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

District Managed Student Activities

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

Auxiliary Services Non Public

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

London Professional Development

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

(continued)

**LONDON CITY SCHOOL DISTRICT**

***Nonmajor Governmental Fund Descriptions - (continued)***

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***Nonmajor Special Revenue Funds - (continued)***

Education Management Information Systems

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

Entry Year Grant

To account for State grant monies used in the mentor program. No budgetary schedule is included because no budget was adopted for this fund and the School District did not receive or expend any money from the fund during the current fiscal year. The elimination of accruals closed out the fund during the fiscal year.

Data Communications

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

Poverty Based Assistance

To account for State monies provided for the improvement of the educational and cultural status of disadvantaged pupils. On a GAAP basis, this activity was combined with the general fund. The fund will no longer be used after fiscal year 2010.

Miscellaneous State Grants

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

Adult Basic Literacy Education

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

Title VI-B

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

Fiscal Stabilization

To account for the School District's allocation from the State Fiscal Stabilization Fund. These funds are intended to help stabilize State and local budgets in order to minimize and avoid reductions in education and other essential services.

(continued)

**LONDON CITY SCHOOL DISTRICT**

***Nonmajor Governmental Fund Descriptions - (continued)***

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***Nonmajor Special Revenue Funds - (continued)***

Title II-D

To account for federal funds used to provide programs of professional development and to purchase equipment to enhance the technology of the School District.

Title I School Improvement

To account for federal revenues to provide supplemental funding to economically disadvantaged districts and some of their eligible schools for improving educational outcomes for students who are failing or at risk of failing to meet State standards.

Title I

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

Title II

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

Safe and Drug Free Schools

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

IDEA Preschool

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

Title II-A

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

Miscellaneous Federal Grants

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

(continued)



**LONDON CITY SCHOOL DISTRICT**

***Nonmajor Governmental Fund Descriptions - (continued)***

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***CAPITAL PROJECTS FUNDS***

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

***Nonmajor Capital Projects Funds***

**Permanent Improvement**

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

**Building**

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

**LONDON CITY SCHOOL DISTRICT**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2010*

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$589,940	\$440,753	\$1,030,693
Receivables:			
Intergovernmental	394,944	0	394,944
Accounts	21,439	0	21,439
Materials and Supplies Inventory	7,212	0	7,212
 <i>Total Assets</i>	 <u>\$1,013,535</u>	 <u>\$440,753</u>	 <u>\$1,454,288</u>
 <b><u>Liabilities:</u></b>			
Accounts Payable	\$12,062	\$0	\$12,062
Accrued Wages and Benefits Payable	52,401	0	52,401
Intergovernmental Payable	69,484	0	69,484
Interfund Payable	65,729	0	65,729
Deferred Revenue	336,704	0	336,704
 <i>Total Liabilities</i>	 <u>536,380</u>	 <u>0</u>	 <u>536,380</u>
 <b><u>Fund Balances:</u></b>			
Reserved for Encumbrances	12,875	0	12,875
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	464,280	0	464,280
Capital Projects Funds	0	440,753	440,753
 <i>Total Fund Balances</i>	 <u>477,155</u>	 <u>440,753</u>	 <u>917,908</u>
 <i>Total Liabilities and Fund Balances</i>	 <u>\$1,013,535</u>	 <u>\$440,753</u>	 <u>\$1,454,288</u>

**LONDON CITY SCHOOL DISTRICT**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Fiscal Year Ended June 30, 2010*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b><u>Revenues:</u></b>			
Intergovernmental	\$2,754,079	\$0	\$2,754,079
Interest	356	181	537
Extracurricular Activities	175,179	0	175,179
Customer Sales and Services	292,300	0	292,300
Contributions and Donations	111,400	0	111,400
Miscellaneous	11,690	0	11,690
<i>Total Revenues</i>	<u>3,345,004</u>	<u>181</u>	<u>3,345,185</u>
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular	609,145	0	609,145
Special	544,434	0	544,434
Adult/Continuing	37,137	0	37,137
Support Services:			
Pupils	184,691	0	184,691
Instructional Staff	367,757	0	367,757
Administration	6,326	0	6,326
Operation and Maintenance of Plant	46,492	10,900	57,392
Pupil Transportation	34,747	0	34,747
Central	14,243	0	14,243
Operation of Non-Instructional Services:			
Food Service Operations	737,678	0	737,678
Other	116,748	0	116,748
Extracurricular Activities	251,288	0	251,288
<i>Total Expenditures</i>	<u>2,950,686</u>	<u>10,900</u>	<u>2,961,586</u>
Excess of Revenues Over (Under) Expenditures	<u>394,318</u>	<u>(10,719)</u>	<u>383,599</u>
<b><u>Other Financing Sources (Uses):</u></b>			
Transfers In	157,209	473,202	630,411
Transfers Out	(11,592)	0	(11,592)
<i>Total Other Financing Sources (Uses)</i>	<u>145,617</u>	<u>473,202</u>	<u>618,819</u>
Net Change in Fund Balances	539,935	462,483	1,002,418
Fund Balances (Deficit) at Beginning of Year	<u>(62,780)</u>	<u>(21,730)</u>	<u>(84,510)</u>
Fund Balances at End of Year	<u>\$477,155</u>	<u>\$440,753</u>	<u>\$917,908</u>

**LONDON CITY SCHOOL DISTRICT**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2010*

	Cafeteria	Education Foundation	Public School Support	Ohio Classroom Facilities Maintenance
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$1	\$3,818	\$36,880	\$294,536
Receivables:				
Intergovernmental	52,113	0	0	0
Accounts	0	21,000	439	0
Materials and Supplies Inventory	7,212	0	0	0
<i>Total Assets</i>	<u>\$59,326</u>	<u>\$24,818</u>	<u>\$37,319</u>	<u>\$294,536</u>
<b><u>Liabilities:</u></b>				
Accounts Payable	\$2,271	\$0	\$118	\$0
Accrued Wages and Benefits Payable	52,401	0	0	0
Intergovernmental Payable	41,728	0	0	0
Interfund Payable	60,896	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>157,296</u>	<u>0</u>	<u>118</u>	<u>0</u>
<b><u>Fund Balances:</u></b>				
Reserved for Encumbrances	0	2,000	519	0
Unreserved, Undesignated (Deficit)	(97,970)	22,818	36,682	294,536
<i>Total Fund Balances (Deficit)</i>	<u>(97,970)</u>	<u>24,818</u>	<u>37,201</u>	<u>294,536</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$59,326</u>	<u>\$24,818</u>	<u>\$37,319</u>	<u>\$294,536</u>

<u>District Managed Student Activities</u>	<u>Auxiliary Services Non Public</u>	<u>London Professional Development</u>	<u>Education Management Information Systems</u>	<u>Miscellaneous State Grants</u>	<u>Adult Basic Literacy Education</u>
\$26,436	\$56,329	\$3,604	\$0	\$17,570	\$1,552
0	0	0	0	0	13,556
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$26,436</u>	<u>\$56,329</u>	<u>\$3,604</u>	<u>\$0</u>	<u>\$17,570</u>	<u>\$15,108</u>
\$5,636	\$0	\$0	\$0	\$0	\$807
0	0	0	0	0	0
0	0	0	110	0	2,472
0	0	0	0	0	0
0	0	0	0	0	7,429
<u>5,636</u>	<u>0</u>	<u>0</u>	<u>110</u>	<u>0</u>	<u>10,708</u>
3,195	0	0	0	0	0
<u>17,605</u>	<u>56,329</u>	<u>3,604</u>	<u>(110)</u>	<u>17,570</u>	<u>4,400</u>
<u>20,800</u>	<u>56,329</u>	<u>3,604</u>	<u>(110)</u>	<u>17,570</u>	<u>4,400</u>
<u>\$26,436</u>	<u>\$56,329</u>	<u>\$3,604</u>	<u>\$0</u>	<u>\$17,570</u>	<u>\$15,108</u>

(continued)

**LONDON CITY SCHOOL DISTRICT**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2010*  
*(continued)*

	Title VI-B	Fiscal Stabilization	Title II-D	Tite I School Improvement
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$100,642	\$60	\$0	\$6,000
Receivables:				
Intergovernmental	180,802	0	5,368	60
Accounts	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$281,444</u>	<u>\$60</u>	<u>\$5,368</u>	<u>\$6,060</u>
<b><u>Liabilities:</u></b>				
Accounts Payable	\$759	\$0	\$0	\$0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	22,218	382	0	0
Interfund Payable	0	0	4,833	0
Deferred Revenue	180,802	0	5,368	60
<i>Total Liabilities</i>	<u>203,779</u>	<u>382</u>	<u>10,201</u>	<u>60</u>
<b><u>Fund Balances:</u></b>				
Reserved for Encumbrances	0	0	0	0
Unreserved, Undesignated (Deficit)	77,665	(322)	(4,833)	6,000
<i>Total Fund Balances (Deficit)</i>	<u>77,665</u>	<u>(322)</u>	<u>(4,833)</u>	<u>6,000</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$281,444</u>	<u>\$60</u>	<u>\$5,368</u>	<u>\$6,060</u>

<u>Title I</u>	<u>Title II</u>	<u>Safe and Drug Free Schools</u>	<u>IDEA Preschool</u>	<u>Title II-A</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$33,819	\$1	\$108	\$1,519	\$7,063	\$2	\$589,940
87,884	0	619	10,839	43,703	0	394,944
0	0	0	0	0	0	21,439
0	0	0	0	0	0	7,212
<u>\$121,703</u>	<u>\$1</u>	<u>\$727</u>	<u>\$12,358</u>	<u>\$50,766</u>	<u>\$2</u>	<u>\$1,013,535</u>
\$2,181	\$0	\$0	\$0	\$290	\$0	\$12,062
0	0	0	0	0	0	52,401
1,566	0	0	105	903	0	69,484
0	0	0	0	0	0	65,729
87,884	0	619	10,839	43,703	0	336,704
<u>91,631</u>	<u>0</u>	<u>619</u>	<u>10,944</u>	<u>44,896</u>	<u>0</u>	<u>536,380</u>
6,044	0	0	0	1,117	0	12,875
24,028	1	108	1,414	4,753	2	464,280
<u>30,072</u>	<u>1</u>	<u>108</u>	<u>1,414</u>	<u>5,870</u>	<u>2</u>	<u>477,155</u>
<u>\$121,703</u>	<u>\$1</u>	<u>\$727</u>	<u>\$12,358</u>	<u>\$50,766</u>	<u>\$2</u>	<u>\$1,013,535</u>

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

	Cafeteria	Education Foundation	Public School Support	Underground Storage Tank
<b><u>Revenues:</u></b>				
Intergovernmental	\$401,824	\$0	\$0	\$0
Interest	0	0	0	0
Extracurricular Activities	0	3,511	17,920	0
Customer Sales and Services	292,300	0	0	0
Contributions and Donations	0	66,702	21,620	0
Miscellaneous	0	0	11,690	0
<i>Total Revenues</i>	<u>694,124</u>	<u>70,213</u>	<u>51,230</u>	<u>0</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	737,678	0	0	0
Other	0	0	0	0
Extracurricular Activities	0	28,287	50,340	0
<i>Total Expenditures</i>	<u>737,678</u>	<u>28,287</u>	<u>50,340</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(43,554)</u>	<u>41,926</u>	<u>890</u>	<u>0</u>
<b><u>Other Financing Sources (Uses):</u></b>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	(11,592)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(11,592)</u>
<i>Net Change in Fund Balances</i>	(43,554)	41,926	890	(11,592)
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>(54,416)</u>	<u>(17,108)</u>	<u>36,311</u>	<u>11,592</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>(\$97,970)</u></u>	<u><u>\$24,818</u></u>	<u><u>\$37,201</u></u>	<u><u>\$0</u></u>



Ohio Classroom Facilities Maintenance	District Managed Student Activities	Auxiliary Services Non Public	London Professional Development	Education Management Information Systems	Entry Year Grant
\$0	\$0	\$96,595	\$0	\$5,000	\$52
296	0	0	0	0	0
0	153,478	0	270	0	0
0	0	0	0	0	0
0	23,078	0	0	0	0
0	0	0	0	0	0
<u>296</u>	<u>176,556</u>	<u>96,595</u>	<u>270</u>	<u>5,000</u>	<u>52</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	60	5,038	0
0	0	0	0	0	0
0	0	94,687	0	0	0
0	172,661	0	0	0	0
<u>0</u>	<u>172,661</u>	<u>94,687</u>	<u>60</u>	<u>5,038</u>	<u>0</u>
<u>296</u>	<u>3,895</u>	<u>1,908</u>	<u>210</u>	<u>(38)</u>	<u>52</u>
147,120	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>147,120</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
147,416	3,895	1,908	210	(38)	52
<u>147,120</u>	<u>16,905</u>	<u>54,421</u>	<u>3,394</u>	<u>(72)</u>	<u>(52)</u>
<u>\$294,536</u>	<u>\$20,800</u>	<u>\$56,329</u>	<u>\$3,604</u>	<u>(\$110)</u>	<u>\$0</u>

(continued)

**LONDON CITY SCHOOL DISTRICT**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2010*  
*(continued)*

	Data Communications	Miscellaneous State Grants	Adult Basic Literacy Education	Title VI-B
<b><u>Revenues:</u></b>				
Intergovernmental	\$9,145	\$0	\$77,430	\$679,167
Interest	0	0	0	0
Extracurricular Activities	0	0	0	0
Customer Sales and Services	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>9,145</u>	<u>0</u>	<u>77,430</u>	<u>679,167</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	0	0	0	42,490
Special	0	0	0	124,573
Adult/Continuing	0	0	37,137	0
Support Services:				
Pupils	0	1,388	0	161,317
Instructional Staff	0	0	19,379	174,273
Administration	0	0	0	380
Operation and Maintenance of Plant	0	0	1,901	0
Pupil Transportation	0	0	0	34,747
Central	9,145	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Other	0	0	0	759
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>9,145</u>	<u>1,388</u>	<u>58,417</u>	<u>538,539</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>(1,388)</u>	<u>19,013</u>	<u>140,628</u>
<b><u>Other Financing Sources (Uses):</u></b>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	(1,388)	19,013	140,628
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>0</u>	<u>18,958</u>	<u>(14,613)</u>	<u>(62,963)</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$0</u>	<u>\$17,570</u>	<u>\$4,400</u>	<u>\$77,665</u>

Fiscal Stabilization	Title II-D	Tite I School Improvement	Title I	Title II	Safe and Drug Free Schools
\$494,473	\$958	\$59,940	\$768,572	\$0	\$11,709
60	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>494,533</u>	<u>958</u>	<u>59,940</u>	<u>768,572</u>	<u>0</u>	<u>11,709</u>
494,473	4,842	0	58,629	0	0
0	0	0	353,928	0	0
0	0	0	0	0	0
0	0	0	15,950	0	6,036
382	550	53,940	78,781	0	0
0	0	0	5,946	0	0
0	0	0	44,591	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	399	0	20,903	0	0
0	0	0	0	0	0
<u>494,855</u>	<u>5,791</u>	<u>53,940</u>	<u>578,728</u>	<u>0</u>	<u>6,036</u>
<u>(322)</u>	<u>(4,833)</u>	<u>6,000</u>	<u>189,844</u>	<u>0</u>	<u>5,673</u>
0	0	0	0	5,608	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	5,608	0
<u>(322)</u>	<u>(4,833)</u>	<u>6,000</u>	<u>189,844</u>	<u>5,608</u>	<u>5,673</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>(159,772)</u>	<u>(5,607)</u>	<u>(5,565)</u>
<u>(\$322)</u>	<u>(\$4,833)</u>	<u>\$6,000</u>	<u>\$30,072</u>	<u>\$1</u>	<u>\$108</u>

(continued)

**LONDON CITY SCHOOL DISTRICT**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2010*  
*(continued)*

	IDEA Preschool	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
<b><u>Revenues:</u></b>				
Intergovernmental	\$10,845	\$137,597	\$772	\$2,754,079
Interest	0	0	0	356
Extracurricular Activities	0	0	0	175,179
Customer Sales and Services	0	0	0	292,300
Contributions and Donations	0	0	0	111,400
Miscellaneous	0	0	0	11,690
<i>Total Revenues</i>	<u>10,845</u>	<u>137,597</u>	<u>772</u>	<u>3,345,004</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	8,711	0	0	609,145
Special	0	65,933	0	544,434
Adult/Continuing	0	0	0	37,137
Support Services:				
Pupils	0	0	0	184,691
Instructional Staff	38	40,414	0	367,757
Administration	0	0	0	6,326
Operation and Maintenance of Plant	0	0	0	46,492
Pupil Transportation	0	0	0	34,747
Central	0	0	0	14,243
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	737,678
Other	0	0	0	116,748
Extracurricular Activities	0	0	0	251,288
<i>Total Expenditures</i>	<u>8,749</u>	<u>106,347</u>	<u>0</u>	<u>2,950,686</u>
Excess of Revenues Over (Under) Expenditures	<u>2,096</u>	<u>31,250</u>	<u>772</u>	<u>394,318</u>
<b><u>Other Financing Sources (Uses):</u></b>				
Transfers In	4,455	0	26	157,209
Transfers Out	0	0	0	(11,592)
<i>Total Other Financing Sources (Uses)</i>	<u>4,455</u>	<u>0</u>	<u>26</u>	<u>145,617</u>
<i>Net Change in Fund Balances</i>	6,551	31,250	798	539,935
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>(5,137)</u>	<u>(25,380)</u>	<u>(796)</u>	<u>(62,780)</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$1,414</u></u>	<u><u>\$5,870</u></u>	<u><u>\$2</u></u>	<u><u>\$477,155</u></u>

**LONDON CITY SCHOOL DISTRICT**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*June 30, 2010*

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$356,811	\$83,942	\$440,753
	<u>356,811</u>	<u>83,942</u>	<u>440,753</u>
<b><u>Liabilities:</u></b>	\$0	\$0	\$0
<b><u>Fund Balances:</u></b>			
Unreserved, Undesignated	356,811	83,942	440,753
	<u>356,811</u>	<u>83,942</u>	<u>440,753</u>
<i>Total Liabilities and Fund Balances</i>	<u>356,811</u>	<u>83,942</u>	<u>440,753</u>

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

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
<b><u>Revenues:</u></b>			
Interest	\$0	\$181	\$181
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Operation and Maintenance of Plant	10,900	0	10,900
Excess of Revenues Over (Under) Expenditures	(10,900)	181	(10,719)
<b><u>Other Financing Sources:</u></b>			
Transfers In	473,202	0	473,202
<i>Net Change in Fund Balances</i>	462,302	181	462,483
<i>Fund Balances (Deficit) at Beginning of Year</i>	(105,491)	83,761	(21,730)
<i>Fund Balances at End of Year</i>	\$356,811	\$83,942	\$440,753

***LONDON CITY SCHOOL DISTRICT***

***Fiduciary Fund Descriptions***

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***AGENCY FUNDS***

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

District Agency

To account for the receipts and expenditures for employee benefits.

Student Managed Activity

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

London Academy Grants

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

**LONDON CITY SCHOOL DISTRICT**  
*Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Fiscal Year Ended June 30, 2010*

	Balance at 6/30/2009	Additions	Deletions	Balance at 6/30/2010
<b>DISTRICT AGENCY</b>				
<i><u>Assets:</u></i>				
Equity in Pooled Cash and Cash Equivalents	\$582	\$2,409,496	\$2,410,076	\$2
<i><u>Liabilities:</u></i>				
Due to Other Governments	\$582	\$2,409,496	\$2,410,076	\$2
<b>STUDENT MANAGED ACTIVITY</b>				
<i><u>Assets:</u></i>				
Equity in Pooled Cash and Cash Equivalents	\$63,508	\$192,619	\$190,340	\$65,787
<i><u>Liabilities:</u></i>				
Due to Students	\$63,508	\$192,619	\$190,340	\$65,787
<b>LONDON ACADEMY GRANTS</b>				
<i><u>Assets:</u></i>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$484,199	\$470,737	\$13,462
<i><u>Liabilities:</u></i>				
Undistributed Monies	\$0	\$484,199	\$470,737	\$13,462
<b>TOTAL - ALL AGENCY FUNDS</b>				
<i><u>Assets:</u></i>				
Equity in Pooled Cash and Cash Equivalents	\$64,090	\$3,086,314	\$3,071,153	\$79,251
<i><u>Liabilities:</u></i>				
Due to Other Governments	\$582	\$2,409,496	\$2,410,076	\$2
Due to Students	63,508	192,619	190,340	65,787
Undistributed Monies	0	484,199	470,737	13,462
<i>Total Liabilities</i>	\$64,090	\$3,086,314	\$3,071,153	\$79,251



**LONDON CITY SCHOOL DISTRICT**

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

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget and Actual (Budget Basis)*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2010*

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
<b><u>Revenues:</u></b>				
Property Taxes	\$6,065,230	\$6,010,124	\$6,716,241	\$706,117
Revenue in Lieu of Taxes	185,642	183,955	183,955	0
Income Taxes	2,851,000	2,825,097	2,824,695	(402)
Intergovernmental	9,002,989	8,921,192	9,195,832	274,640
Interest	23,631	23,416	17,938	(5,478)
Tuition and Fees	478,453	474,106	479,758	5,652
Extracurricular Activities	43,628	43,232	12,690	(30,542)
Customer Sales and Services	1,900,555	1,883,287	1,883,287	0
Contributions and Donations	490	486	96	(390)
Rent	4,314	4,275	3,885	(390)
Miscellaneous	137,690	136,439	73,308	(63,131)
<b>Total Revenues</b>	<b>20,693,622</b>	<b>20,505,609</b>	<b>21,391,685</b>	<b>886,076</b>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Salaries	5,899,206	6,136,288	5,978,381	157,907
Fringe Benefits	2,443,775	2,063,931	1,669,965	393,966
Purchased Services	1,769,025	1,158,936	1,068,550	90,386
Materials and Supplies	603,794	620,992	506,003	114,989
Capital Outlay	142,044	15,797	15,687	110
Other	97,130	0	0	0
<b>Total Regular</b>	<b>10,954,974</b>	<b>9,995,944</b>	<b>9,238,586</b>	<b>757,358</b>
Special:				
Salaries	1,086,650	1,159,331	1,127,006	32,325
Fringe Benefits	485,407	589,359	473,855	115,504
Purchased Services	853,510	899,253	884,524	14,729
Materials and Supplies	3,178	5,178	3,809	1,369
Capital Outlay	0	3,499	3,454	45
Other	300,000	300,000	297,287	2,713
<b>Total Special</b>	<b>2,728,745</b>	<b>2,956,620</b>	<b>2,789,935</b>	<b>166,685</b>
Vocational:				
Salaries	225,059	288,611	285,915	2,696
Fringe Benefits	84,428	112,795	112,475	320
Purchased Services	810	591	281	310
Materials and Supplies	5,336	5,336	3,159	2,177
Capital Outlay	2,972	2,972	876	2,096
<b>Total Vocational</b>	<b>318,605</b>	<b>410,305</b>	<b>402,706</b>	<b>7,599</b>
<b>Total Instruction</b>	<b>\$14,002,324</b>	<b>\$13,362,869</b>	<b>\$12,431,227</b>	<b>\$931,642</b>

(continued)

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget and Actual (Budget Basis)*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2010*  
*(continued)*

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Support Services:				
Pupils:				
Salaries	\$432,142	\$499,556	\$490,691	\$8,865
Fringe Benefits	161,922	211,619	194,013	17,606
Purchased Services	31,020	33,659	30,628	3,031
Materials and Supplies	12,900	12,900	5,619	7,281
Capital Outlay	0	525	525	0
Other	350	350	0	350
Total Pupils	<u>638,334</u>	<u>758,609</u>	<u>721,476</u>	<u>37,133</u>
Instructional Staff:				
Salaries	641,503	725,363	712,694	12,669
Fringe Benefits	362,478	416,467	412,001	4,466
Purchased Services	11,400	14,889	5,002	9,887
Materials and Supplies	18,853	19,922	16,568	3,354
Capital Outlay	3,750	4,308	4,307	1
Total Instructional Staff	<u>1,037,984</u>	<u>1,180,949</u>	<u>1,150,572</u>	<u>30,377</u>
Board of Education:				
Salaries	10,875	15,500	15,500	0
Fringe Benefits	1,750	5,995	5,995	0
Purchased Services	48,500	96,803	75,023	21,780
Materials and Supplies	11,718	11,718	2,974	8,744
Capital Outlay	0	10,470	10,421	49
Other	43,000	68,026	61,002	7,024
Total Board of Education	<u>115,843</u>	<u>208,512</u>	<u>170,915</u>	<u>37,597</u>
Administration:				
Salaries	1,238,529	1,368,648	1,350,462	18,186
Fringe Benefits	398,862	459,566	454,097	5,469
Purchased Services	100,233	118,450	99,964	18,486
Materials and Supplies	33,550	37,463	24,368	13,095
Capital Outlay	0	32,194	29,445	2,749
Other	5,000	5,000	3,010	1,990
Total Administration	<u>1,776,174</u>	<u>2,021,321</u>	<u>1,961,346</u>	<u>59,975</u>
Fiscal:				
Salaries	176,918	199,051	198,978	73
Fringe Benefits	76,652	82,927	82,567	360
Purchased Services	103,399	146,114	111,399	34,715
Materials and Supplies	2,150	3,778	2,538	1,240
Capital Outlay	0	5,143	5,143	0
Other	165,727	221,282	198,308	22,974
Total Fiscal	<u>\$524,846</u>	<u>\$658,295</u>	<u>\$598,933</u>	<u>\$59,362</u>

(continued)

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget and Actual (Budget Basis)*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2010*  
*(continued)*

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Operation and Maintenance of Plant:				
Salaries	\$654,706	\$756,047	\$746,360	\$9,687
Fringe Benefits	241,511	269,241	269,112	129
Purchased Services	635,809	1,374,421	1,172,326	202,095
Materials and Supplies	130,797	182,229	154,804	27,425
Capital Outlay	45,301	72,545	56,063	16,482
Other	2,500	2,500	1,248	1,252
Total Operation and Maintenance of Plant	<u>1,710,624</u>	<u>2,656,983</u>	<u>2,399,913</u>	<u>257,070</u>
Pupil Transportation:				
Salaries	404,378	433,287	421,455	11,832
Fringe Benefits	201,941	221,449	220,506	943
Purchased Services	42,205	43,998	16,281	27,717
Materials and Supplies	204,052	198,676	120,341	78,335
Capital Outlay	119,000	215,706	200,706	15,000
Other	520	520	194	326
Total Pupil Transportation	<u>972,096</u>	<u>1,113,636</u>	<u>979,483</u>	<u>134,153</u>
Central:				
Salaries	99,914	108,622	108,622	0
Fringe Benefits	49,799	52,398	51,917	481
Purchased Services	155,385	163,090	99,334	63,756
Materials and Supplies	15,300	15,300	4,534	10,766
Capital Outlay	116,000	219,007	213,007	6,000
Total Central	<u>436,398</u>	<u>558,417</u>	<u>477,414</u>	<u>81,003</u>
Total Support Services	<u>7,212,299</u>	<u>9,156,722</u>	<u>8,460,052</u>	<u>696,670</u>
Extracurricular Activities:				
Academic Oriented Activities:				
Salaries	45,170	48,322	37,028	11,294
Fringe Benefits	7,164	7,591	5,598	1,993
Total Academic Oriented Activities	<u>52,334</u>	<u>55,913</u>	<u>42,626</u>	<u>13,287</u>
Sports Oriented Activities:				
Salaries	211,458	275,227	275,227	0
Fringe Benefits	42,928	57,767	57,738	29
Total Sports Oriented Activities	<u>\$254,386</u>	<u>\$332,994</u>	<u>\$332,965</u>	<u>\$29</u>

(continued)

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget and Actual (Budget Basis)*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2010*  
*(continued)*

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
School and Public Service Co-Curricular Activities:				
Salaries	\$83,493	\$103,628	\$103,628	\$0
Fringe Benefits	24,327	31,038	30,936	102
Other	19,500	19,500	7,997	11,503
<b>Total School and Public Service Co-Curricular Activities</b>	<b>127,320</b>	<b>154,166</b>	<b>142,561</b>	<b>11,605</b>
<b>Total Extracurricular Activities</b>	<b>434,040</b>	<b>543,073</b>	<b>518,152</b>	<b>24,921</b>
Debt Service:				
Principal Retirement	0	255,000	255,000	0
Interest and Fiscal Charges	0	24,206	24,206	0
<b>Total Debt Service</b>	<b>0</b>	<b>279,206</b>	<b>279,206</b>	<b>0</b>
<b>Total Expenditures</b>	<b>21,648,663</b>	<b>23,341,870</b>	<b>21,688,637</b>	<b>1,653,233</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(955,041)</b>	<b>(2,836,261)</b>	<b>(296,952)</b>	<b>2,539,309</b>
<b><u>Other Financing Sources (Uses):</u></b>				
Proceeds from Sale of Capital Assets	5,374	5,325	1,023	(4,302)
Transfers In	489,239	484,794	11,592	(473,202)
Transfers Out	0	(642,003)	(630,411)	11,592
Advances In	221,052	219,044	0	(219,044)
Advances Out	0	(65,729)	(65,729)	0
<b>Total Other Financing Sources (Uses)</b>	<b>715,665</b>	<b>1,431</b>	<b>(683,525)</b>	<b>(684,956)</b>
<b>Net Change in Fund Balance</b>	<b>(239,376)</b>	<b>(2,834,830)</b>	<b>(980,477)</b>	<b>1,854,353</b>
<b>Fund Balance at Beginning of Year</b>	<b>3,643,870</b>	<b>3,643,870</b>	<b>3,643,870</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>163,088</b>	<b>163,088</b>	<b>163,088</b>	<b>0</b>
<b>Fund Balance at End of Year</b>	<b>\$3,567,582</b>	<b>\$972,128</b>	<b>\$2,826,481</b>	<b>\$1,854,353</b>

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget and Actual (Budget Basis)*  
*Debt Service Fund*  
*For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>			
Property Taxes	\$2,545,305	\$2,787,515	\$242,210
Intergovernmental	399,635	399,635	0
<i>Total Revenues</i>	<u>2,944,940</u>	<u>3,187,150</u>	<u>242,210</u>
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Fiscal:			
Purchased Services	55,725	55,725	0
Debt Service:			
Principal			
Principal Retirement	1,670,000	1,670,000	0
Interest and Fiscal Charges	898,770	898,770	0
<i>Total Debt Service</i>	<u>2,568,770</u>	<u>2,568,770</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,624,495</u>	<u>2,624,495</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	320,445	562,655	242,210
<i>Fund Balance at Beginning of Year</i>	<u>1,876,747</u>	<u>1,876,747</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$2,197,192</u></u>	<u><u>\$2,439,402</u></u>	<u><u>\$242,210</u></u>

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Ohio Classroom Facilities Capital Projects Fund*  
*For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>			
Intergovernmental	\$5,372,454	\$7,984,214	\$2,611,760
Interest	3,120	3,820	700
<i>Total Revenues</i>	<u>5,375,574</u>	<u>7,988,034</u>	<u>2,612,460</u>
<b><u>Expenditures:</u></b>			
Capital Outlay:			
Site Improvement Services:			
Purchased Services	<u>53,500</u>	<u>53,475</u>	<u>25</u>
Architecture and Engineering Services:			
Purchased Services	<u>1,364,114</u>	<u>1,364,114</u>	<u>0</u>
Building Acquisition and Construction Services:			
Purchased Services	51,889	47,889	4,000
Capital Outlay	2,278,394	2,273,222	5,172
Other	<u>131,765</u>	<u>131,765</u>	<u>0</u>
Total Building Acquisition and Construction Services	<u>2,462,048</u>	<u>2,452,876</u>	<u>9,172</u>
<i>Total Expenditures</i>	<u>3,879,662</u>	<u>3,870,465</u>	<u>9,197</u>
Excess of Revenues Over Expenditures	1,495,912	4,117,569	2,621,657
<b><u>Other Financing Sources:</u></b>			
Transfers In	<u>128,004</u>	<u>0</u>	<u>(128,004)</u>
<i>Net Change in Fund Balance</i>	1,623,916	4,117,569	2,493,653
<i>Fund Balance at Beginning of Year</i>	1,232,069	1,232,069	0
<i>Prior Year Encumbrances Appropriated</i>	<u>138,582</u>	<u>138,582</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$2,994,567</u></u>	<u><u>\$5,488,220</u></u>	<u><u>\$2,493,653</u></u>

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Cafeteria Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2010*

	Budgeted Amounts		Variance Positive (Negative)
	Final	Actual	
<b><u>Revenues:</u></b>			
Intergovernmental	\$419,112	\$347,840	(\$71,272)
Customer Sales and Services	402,341	292,300	(110,041)
<i>Total Revenues</i>	821,453	640,140	(181,313)
<b><u>Expenditures:</u></b>			
Current:			
Operation of Non-Instructional Services:			
Food Service Operations:			
Salaries	268,445	263,885	4,560
Fringe Benefits	167,326	166,000	1,326
Purchased Services	13,120	11,329	1,791
Materials and Supplies	295,234	244,689	50,545
Other	445	0	445
<i>Total Expenditures</i>	744,570	685,903	58,667
Excess of Revenues Over (Under) Expenditures	76,883	(45,763)	(122,646)
<b><u>Other Financing Sources:</u></b>			
Advances In	60,449	60,896	447
<i>Net Change in Fund Balance</i>	137,332	15,133	(122,199)
<i>Fund Balance at Beginning of Year</i>	(15,813)	(15,813)	0
<i>Prior Year Encumbrances Appropriated</i>	681	681	0
<i>Fund Balance (Deficit) at End of Year</i>	\$122,200	\$1	(\$122,199)



**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Education Foundation Special Revenue Fund  
For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>			
Extracurricular Activities	\$4,000	\$3,511	(\$489)
Contributions and Donations	71,596	45,702	(25,894)
Miscellaneous	3,989	0	(3,989)
<i>Total Revenues</i>	79,585	49,213	(30,372)
<b><u>Expenditures:</u></b>			
Current:			
Extracurricular Activities:			
School and Public Service Co-Curricular Activities:			
Other	59,835	30,287	29,548
Excess of Revenues Over (Under) Expenditures	19,750	18,926	(824)
<b><u>Other Financing Sources:</u></b>			
Transfers In	426	0	(426)
<i>Net Change in Fund Balance</i>	20,176	18,926	(1,250)
<i>Fund Balance at Beginning of Year</i>	(19,858)	(19,858)	0
<i>Prior Year Encumbrances Appropriated</i>	2,750	2,750	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$3,068</u>	<u>\$1,818</u>	<u>(\$1,250)</u>

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Public School Support Special Revenue Fund  
For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>			
Extracurricular Activities	\$38,961	\$17,920	(\$21,041)
Contributions and Donations	39,081	22,450	(16,631)
Miscellaneous	11,500	11,401	(99)
<i>Total Revenues</i>	<u>89,542</u>	<u>51,771</u>	<u>(37,771)</u>
<b><u>Expenditures:</u></b>			
Current:			
Extracurricular Activities:			
School and Public Service Co-Curricular Activities:			
Capital Outlay	12,500	850	11,650
Other	75,027	49,957	25,070
<i>Total Expenditures</i>	<u>87,527</u>	<u>50,807</u>	<u>36,720</u>
Excess of Revenues Over (Under) Expenditures	2,015	964	(1,051)
<b><u>Other Financing Sources:</u></b>			
Transfers In	3,988	0	(3,988)
<i>Net Change in Fund Balance</i>	6,003	964	(5,039)
<i>Fund Balance at Beginning of Year</i>	34,904	34,904	0
<i>Prior Year Encumbrances Appropriated</i>	427	427	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$41,334</u>	<u>\$36,295</u>	<u>(\$5,039)</u>

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Underground Storage Tank Special Revenue Fund  
For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b><u>Other Financing Sources (Uses):</u></b>			
Transfers In	11,592	0	(11,592)
Transfers Out	<u>(11,592)</u>	<u>(11,592)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(11,592)</u>	<u>(11,592)</u>
<i>Net Change in Fund Balance</i>	0	(11,592)	(11,592)
<i>Fund Balance at Beginning of Year</i>	<u>11,592</u>	<u>11,592</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u><u>\$11,592</u></u>	<u><u>\$0</u></u>	<u><u>(\$11,592)</u></u>

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
Ohio Classroom Facilities Maintenance Special Revenue Fund  
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>			
Interest	\$280	\$296	\$16
<b><u>Expenditures:</u></b>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	280	296	16
<b><u>Other Financing Sources:</u></b>			
Transfers In	<u>147,120</u>	<u>147,120</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	147,400	147,416	16
<i>Fund Balance at Beginning of Year</i>	<u>147,120</u>	<u>147,120</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$294,520</u></u>	<u><u>\$294,536</u></u>	<u><u>\$16</u></u>

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
District Managed Student Activities Special Revenue Fund  
For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>			
Extracurricular Activities	\$193,669	\$153,640	(\$40,029)
Contributions and Donations	29,129	23,078	(6,051)
<i>Total Revenues</i>	<u>222,798</u>	<u>176,718</u>	<u>(46,080)</u>
<b><u>Expenditures:</u></b>			
Current:			
Extracurricular Activities:			
Sports Oriented Activities:			
Purchased Services	47,000	35,218	11,782
Capital Outlay	5,500	4,596	904
Other	<u>136,709</u>	<u>124,746</u>	<u>11,963</u>
Total Sports Oriented Activities	189,209	164,560	24,649
Academic and Subject Oriented Activities:			
Other	<u>13,005</u>	<u>11,810</u>	<u>1,195</u>
<i>Total Expenditures</i>	<u>202,214</u>	<u>176,370</u>	<u>25,844</u>
<i>Net Change in Fund Balance</i>	20,584	348	(20,236)
<i>Fund Balance at Beginning of Year</i>	17,090	17,090	0
<i>Prior Year Encumbrances Appropriated</i>	<u>2,709</u>	<u>2,709</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u><u>\$40,383</u></u>	<u><u>\$20,147</u></u>	<u><u>(\$20,236)</u></u>

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Auxiliary Services Non Public Special Revenue Fund  
For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>			
Intergovernmental	<u>\$108,059</u>	<u>\$96,595</u>	<u>(\$11,464)</u>
<b><u>Expenditures:</u></b>			
Current:			
Operation of Non-Instructional Services:			
Community Recreation Services:			
Purchased Services	64,164	32,860	31,304
Materials and Supplies	59,537	31,757	27,780
Capital Outlay	<u>46,503</u>	<u>40,108</u>	<u>6,395</u>
<i>Total Expenditures</i>	<u>170,204</u>	<u>104,725</u>	<u>65,479</u>
<i>Net Change in Fund Balance</i>	(62,145)	(8,130)	54,015
<i>Fund Balance at Beginning of Year</i>	3,155	3,155	0
<i>Prior Year Encumbrances Appropriated</i>	<u>61,279</u>	<u>61,279</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$2,289</u>	<u>\$56,304</u>	<u>\$54,015</u>

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
London Professional Development Special Revenue Fund  
For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>			
Extracurricular Activities	\$300	\$270	(\$30)
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Central:			
Materials and Supplies	<u>3,000</u>	<u>60</u>	<u>2,940</u>
<i>Net Change in Fund Balance</i>	(2,700)	210	2,910
<i>Fund Balance at Beginning of Year</i>	<u>3,394</u>	<u>3,394</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$694</u></u>	<u><u>\$3,604</u></u>	<u><u>\$2,910</u></u>

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Education Management Information Systems Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>			
Intergovernmental	\$10,000	\$5,000	(\$5,000)
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Central:			
Salaries	8,035	3,035	5,000
Purchased Services	1,393	1,393	0
Materials and Supplies	522	522	0
Capital Outlay	50	50	0
<i>Total Expenditures</i>	<u>10,000</u>	<u>5,000</u>	<u>5,000</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>



**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Data Communications Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>			
Intergovernmental	\$9,145	\$9,145	\$0
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Central			
Purchased Services	<u>9,145</u>	<u>9,145</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Poverty Based Assistance Special Revenue Fund  
For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>			
Intergovernmental	\$54,473	\$43,663	(\$10,810)
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular:			
Salaries	<u>54,473</u>	<u>43,663</u>	<u>10,810</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Miscellaneous State Grants Special Revenue Fund  
For the Fiscal Year Ended June 30, 2010*

	Budgeted Amounts		Variance Positive (Negative)
	Final	Actual	
<b><u>Revenues:</u></b>	\$0	\$0	\$0
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Pupils:			
Purchased Services	1,388	1,388	0
<i>Net Change in Fund Balance</i>	(1,388)	(1,388)	0
<i>Fund Balance at Beginning of Year</i>	18,958	18,958	0
<i>Fund Balance at End of Year</i>	\$17,570	\$17,570	\$0

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Adult Basic Literacy Education Special Revenue Fund  
For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>			
Intergovernmental	<u>\$82,735</u>	<u>\$77,603</u>	<u>(\$5,132)</u>
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Adult/Continuing Education:			
Salaries	29,707	28,616	1,091
Fringe Benefits	8,150	7,722	428
Materials and Supplies	<u>1,000</u>	<u>794</u>	<u>206</u>
Total Instruction	<u>38,857</u>	<u>37,132</u>	<u>1,725</u>
Support Services:			
Instructional Staff:			
Salaries	19,502	17,292	2,210
Fringe Benefits	4,987	4,854	133
Purchased Services	1,225	339	886
Materials and Supplies	<u>674</u>	<u>351</u>	<u>323</u>
Total Instructional Staff	<u>26,388</u>	<u>22,836</u>	<u>3,552</u>
Operation and Maintenance of Plant:			
Purchased Services	1,568	1,535	33
Materials and Supplies	<u>1,000</u>	<u>366</u>	<u>634</u>
Total Operation and Maintenance of Plant	<u>2,568</u>	<u>1,901</u>	<u>667</u>
Total Support Services	<u>28,956</u>	<u>24,737</u>	<u>4,219</u>
<i>Total Expenditures</i>	<u>67,813</u>	<u>61,869</u>	<u>5,944</u>
<i>Net Change in Fund Balance</i>	14,922	15,734	812
<i>Fund Balance (Deficit) at Beginning of Year</i>	(15,318)	(15,318)	0
<i>Prior Year Encumbrances Appropriated</i>	<u>399</u>	<u>399</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$3</u>	<u>\$815</u>	<u>\$812</u>

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Title VI-B Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>			
Intergovernmental	\$1,303,399	\$679,167	(\$624,232)
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	26,000	4,279	21,721
Capital Outlay	42,000	38,211	3,789
Total Regular	68,000	42,490	25,510
Special:			
Salaries	216,553	64,666	151,887
Fringe Benefits	21,527	9,936	11,591
Purchased Services	60,000	0	60,000
Materials and Supplies	53,324	42,234	11,090
Capital Outlay	47,530	17,458	30,072
Total Special:	398,934	134,294	264,640
Total Instruction	466,934	176,784	290,150
Support Services:			
Pupils:			
Salaries	155,213	52,000	103,213
Fringe Benefits	10,080	7,988	2,092
Purchased Services	141,408	89,482	51,926
Materials and Supplies	1,535	1,535	0
Total Pupils	308,236	151,005	157,231
Instructional Staff:			
Salaries	178,000	101,518	76,482
Fringe Benefits	23,750	23,750	0
Purchased Services	62,920	45,541	17,379
Materials and Supplies	6,685	1,472	5,213
Total Instructional Staff	\$271,355	\$172,281	\$99,074

(continued)

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Title VI-B Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2010*  
*(continued)*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Administration:			
Salaries and Wages	\$11,229	\$329	\$10,900
Fringe Benefits	2,000	46	1,954
Total Administration	<u>13,229</u>	<u>375</u>	<u>12,854</u>
Pupil Transportation:			
Salaries	40,000	12,693	27,307
Fringe Benefits	6,400	1,944	4,456
Purchased Services	1,585	984	601
Capital Outlay	<u>38,000</u>	<u>20,000</u>	<u>18,000</u>
Total Pupil Transportation	<u>85,985</u>	<u>35,621</u>	<u>50,364</u>
Total Support Services	<u>678,805</u>	<u>359,282</u>	<u>319,523</u>
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	<u>9,920</u>	<u>0</u>	<u>9,920</u>
<i>Total Expenditures</i>	<u>1,155,659</u>	<u>536,066</u>	<u>619,593</u>
<i>Net Change in Fund Balance</i>	147,740	143,101	(4,639)
<i>Fund Balance (Deficit) at Beginning of Year</i>	(68,394)	(68,394)	0
<i>Prior Year Encumbrances Appropriated</i>	<u>25,935</u>	<u>25,935</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$105,281</u>	<u>\$100,642</u>	<u>(\$4,639)</u>

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Fiscal Stabilization Special Revenue Fund  
For the Fiscal Year Ended June 30, 2010*

	Budgeted Amounts		Variance Positive (Negative)
	Final	Actual	
<b><u>Revenues:</u></b>			
Intergovernmental	\$604,599	\$494,473	(\$110,126)
Interest	150	60	(90)
<i>Total Revenues</i>	604,749	494,533	(110,216)
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular:			
Fringe Benefits	520,562	430,642	89,920
Purchased Services	63,870	63,831	39
<i>Total Expenditures</i>	584,432	494,473	89,959
<i>Net Change in Fund Balance</i>	20,317	60	(20,257)
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance (Deficit) at End of Year</i>	\$20,317	\$60	(\$20,257)

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Title II-D Special Revenue Fund**  
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>			
Intergovernmental	\$7,258	\$958	(\$6,300)
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular:			
Capital Outlay	5,761	4,926	835
Support Services:			
Instructional Staff:			
Purchased Services	1,000	550	450
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	399	399	0
<i>Total Expenditures</i>	<u>7,160</u>	<u>5,875</u>	<u>1,285</u>
Excess of Revenues Over (Under) Expenditures	98	(4,917)	(5,015)
<b><u>Other Financing Sources:</u></b>			
Advances In	4,833	4,833	0
<i>Net Change in Fund Balance</i>	4,931	(84)	(5,015)
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u><u>\$4,931</u></u>	<u><u>(\$84)</u></u>	<u><u>(\$5,015)</u></u>



**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Title I School Improvement Special Revenue Fund  
For the Fiscal Year Ended June 30, 2010*

	Budgeted Amounts		Variance Positive (Negative)
	Final	Actual	
<b><u>Revenues:</u></b>			
Intergovernmental	\$60,000	\$59,940	(\$60)
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Instructional Staff:			
Salaries	50,400	47,316	3,084
Fringe Benefits	9,600	6,624	2,976
	60,000	53,940	6,060
<i>Total Expenditures</i>			
<i>Net Change in Fund Balance</i>	0	6,000	6,000
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$0	\$6,000	\$6,000

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Title I Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2010*

	Budgeted Amounts		Variance Positive (Negative)
	Final	Actual	
<b><u>Revenues:</u></b>			
Intergovernmental	\$1,221,190	\$768,572	(\$452,618)
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular:			
Salaries	38,810	26,863	11,947
Purchased Services	52,320	0	52,320
Materials and Supplies	21,426	19,946	1,480
Capital Outlay	19,321	14,785	4,536
Total Regular	131,877	61,594	70,283
Special:			
Salaries	261,584	187,477	74,107
Fringe Benefits	40,625	32,329	8,296
Purchased Services	12,775	12,775	0
Materials and Supplies	26,405	24,327	2,078
Capital Outlay	101,926	100,936	990
Total Special	443,315	357,844	85,471
Total Instruction	575,192	419,438	155,754
Support Services:			
Pupils:			
Purchased Services	82,647	15,950	66,697
Instructional Staff:			
Salaries	59,919	0	59,919
Fringe Benefits	6,400	0	6,400
Purchased Services	54,088	45,720	8,368
Materials and Supplies	49,516	33,151	16,365
Total Instructional Staff	169,923	78,871	91,052
Administration:			
Salaries	\$4,833	\$4,000	\$833

(continued)

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Title I Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2010*  
*(continued)*

	Budgeted Amounts		Variance Positive (Negative)
	Final	Actual	
Operation and Maintenance of Plant:			
Purchased Services	\$50,946	\$44,591	\$6,355
Pupil Transportation:			
Purchased Services	11,000	0	11,000
Total Support Services	319,349	143,412	175,937
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	24,510	14,261	10,249
Materials and Supplies	6,835	6,642	193
Total Operation of Non-Instructional Services	31,345	20,903	10,442
<i>Total Expenditures</i>	925,886	583,753	342,133
<i>Net Change in Fund Balance</i>	295,304	184,819	(110,485)
<i>Fund Balance (Deficit) at Beginning of Year</i>	(167,404)	(167,404)	0
<i>Prior Year Encumbrances Appropriated</i>	10,373	10,373	0
<i>Fund Balance (Deficit) at End of Year</i>	\$138,273	\$27,788	(\$110,485)

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Title II Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>			
Intergovernmental	\$5,570	\$0	(\$5,570)
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Pupils:			
Salaries and Wages	47	0	47
<i>Excess of Revenues Over (Under) Expenditures</i>	5,523	0	(5,523)
<b><u>Other Financing Sources:</u></b>			
<i>Transfers In</i>	5,609	5,608	(1)
<i>Net Change in Fund Balance</i>	11,132	5,608	(5,524)
<i>Fund Balance at Beginning of Year</i>	(5,608)	(5,607)	(1)
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$5,524</u>	<u>\$1</u>	<u>(\$5,523)</u>

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Safe and Drug Free Schools Special Revenue Fund  
For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>			
Intergovernmental	<u>\$14,943</u>	<u>\$11,709</u>	<u>(\$3,234)</u>
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Pupils:			
Purchased Services	7,878	5,261	2,617
Materials and Supplies	<u>1,500</u>	<u>775</u>	<u>725</u>
<i>Total Expenditures</i>	<u>9,378</u>	<u>6,036</u>	<u>3,342</u>
<i>Net Change in Fund Balance</i>	5,565	5,673	108
<i>Fund Balance (Deficit) at Beginning of Year</i>	(5,800)	(5,800)	0
<i>Prior Year Encumbrances Appropriated</i>	<u>235</u>	<u>235</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$108</u></u>	<u><u>\$108</u></u>

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*IDEA Preschool Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>			
Intergovernmental	<u>\$35,264</u>	<u>\$10,845</u>	<u>(\$24,419)</u>
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular:			
Salaries	25,971	8,711	17,260
Fringe Benefits	<u>4,193</u>	<u>0</u>	<u>4,193</u>
<i>Total Expenditures</i>	<u>30,164</u>	<u>8,711</u>	<u>21,453</u>
Excess of Revenues Over (Under) Expenditures	5,100	2,134	(2,966)
<b><u>Other Financing Sources:</u></b>			
Transfers In	<u>4,455</u>	<u>4,455</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	9,555	6,589	(2,966)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>(5,070)</u>	<u>(5,070)</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u><u>\$4,485</u></u>	<u><u>\$1,519</u></u>	<u><u>(\$2,966)</u></u>

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Title II-A Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>			
Intergovernmental	<u>\$197,090</u>	<u>\$137,597</u>	<u>(\$59,493)</u>
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Special:			
Salaries	60,506	56,899	3,607
Fringe Benefits	<u>23,682</u>	<u>8,918</u>	<u>14,764</u>
Total Instruction	<u>84,188</u>	<u>65,817</u>	<u>18,371</u>
Support Services:			
Instructional Staff:			
Salaries	34,386	300	34,086
Purchased Services	29,721	22,931	6,790
Materials and Supplies	<u>18,945</u>	<u>18,034</u>	<u>911</u>
Total Support Services	<u>83,052</u>	<u>41,265</u>	<u>41,787</u>
<i>Total Expenditures</i>	<u>167,240</u>	<u>107,082</u>	<u>60,158</u>
<i>Net Change in Fund Balance</i>	29,850	30,515	665
<i>Fund Balance (Deficit) at Beginning of Year</i>	(31,803)	(31,803)	0
<i>Prior Year Encumbrances Appropriated</i>	<u>6,855</u>	<u>6,855</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$4,902</u></u>	<u><u>\$5,567</u></u>	<u><u>\$665</u></u>

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Miscellaneous Federal Grants Special Revenue Fund  
For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>			
Intergovernmental	\$1,471	\$772	(\$699)
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Special:			
Salaries	<u>98</u>	<u>0</u>	<u>98</u>
Excess of Revenues Over (Under) Expenditures	1,373	772	(601)
<b><u>Other Financing Sources:</u></b>			
Transfers In	<u>27</u>	<u>26</u>	<u>(1)</u>
<i>Net Change in Fund Balance</i>	1,400	798	(602)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>(796)</u>	<u>(796)</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u><u>\$604</u></u>	<u><u>\$2</u></u>	<u><u>(\$602)</u></u>



**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Permanent Improvement Capital Projects Fund  
For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>			
Interest	\$11,836	\$0	(\$11,836)
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Capital Outlay	<u>11,000</u>	<u>10,900</u>	<u>100</u>
Excess of Revenues Over (Under) Expenditures	836	(10,900)	(11,736)
<b><u>Other Financing Sources:</u></b>			
Transfers In	<u>564,129</u>	<u>473,202</u>	<u>(90,927)</u>
<i>Net Change in Fund Balance</i>	564,965	462,302	(102,663)
<i>Fund Balance at Beginning of Year</i>	<u>(105,491)</u>	<u>(105,491)</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$459,474</u></u>	<u><u>\$356,811</u></u>	<u><u>(\$102,663)</u></u>

**LONDON CITY SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Building Capital Projects Fund*  
*For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		Variance Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>			
Interest	\$200	\$181	(\$19)
<b><u>Expenditures:</u></b>			
Capital Outlay:			
Site Improvement Services:			
Purchased Services	1,288	1,288	0
Building Acquisition and Construction Services:			
Purchased Services	<u>5,878</u>	<u>5,878</u>	<u>0</u>
Total Expenditures	<u>7,166</u>	<u>7,166</u>	<u>0</u>
Excess of Revenues Under Expenditures	(6,966)	(6,985)	(19)
<b><u>Other Financing Sources:</u></b>			
Transfer In	<u>90,927</u>	<u>0</u>	<u>(90,927)</u>
<i>Net Change in Fund Balance</i>	83,961	(6,985)	(90,946)
<i>Fund Balance at Beginning of Year</i>	<u>90,927</u>	<u>90,927</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u><u>\$174,888</u></u>	<u><u>\$83,942</u></u>	<u><u>(\$90,946)</u></u>

# **STATISTICAL SECTION**



## *STATISTICAL TABLES*

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

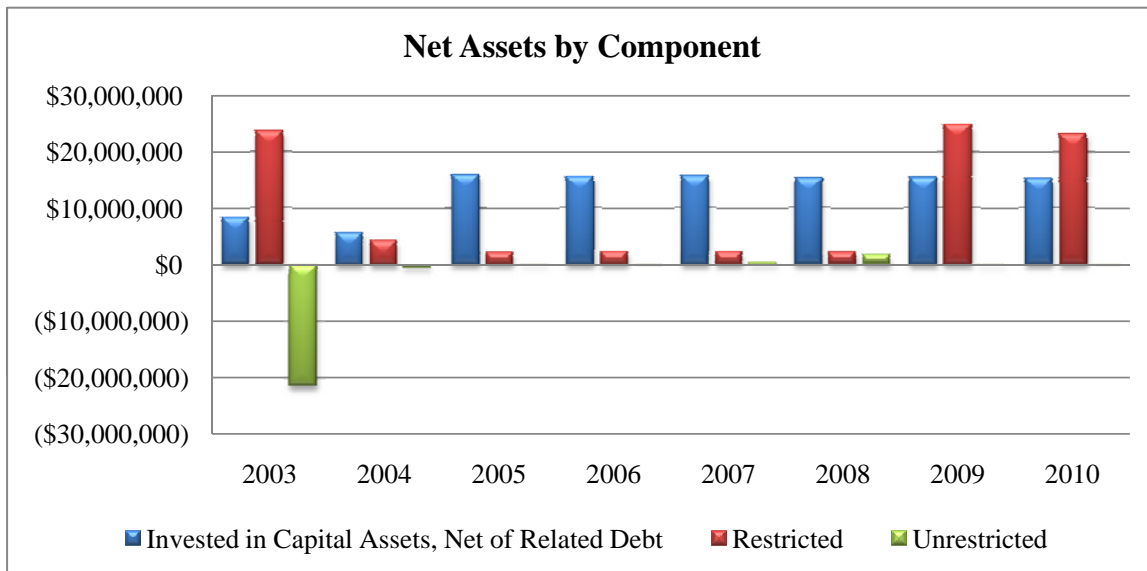
<u>CONTENTS</u>	<u>PAGES</u>
Financial Trends	112-125
These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	
Revenue Capacity	126-132
These schedules contain information to help the reader assess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

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

**LONDON CITY SCHOOL DISTRICT**

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

Fiscal Year	2003	2004	2005
Invested in Capital Assets, Net of Related Debt	\$8,388,288	\$5,786,518	\$16,085,925
Restricted	23,636,450	4,396,416	2,144,933
Unrestricted (Deficit)	(21,535,096)	(437,953)	110,694
<i>Total Net Assets</i>	<u>\$10,489,642</u>	<u>\$9,744,981</u>	<u>\$18,341,552</u>



<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$15,625,316	\$15,718,638	\$15,403,898	\$15,553,827	\$15,324,035
2,271,403	2,211,789	2,154,388	25,012,718	23,112,532
97,725	374,272	1,650,218	(58,409)	83,818
<u>\$17,994,444</u>	<u>\$18,304,699</u>	<u>\$19,208,504</u>	<u>\$40,508,136</u>	<u>\$38,520,385</u>

**LONDON CITY SCHOOL DISTRICT**

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

<u>Fiscal Year</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>Expenses:</b>			
Current:			
Instruction:			
Regular	\$7,028,825	\$6,720,834	\$7,597,035
Special	1,902,311	2,091,713	2,345,962
Vocational	286,715	304,130	311,111
Adult/Continuing	79,924	0	0
Other	0	69,515	5,870
Support Services:			
Pupils	394,049	436,663	424,086
Instructional Staff	745,364	781,820	740,007
Board of Education	81,986	89,834	130,110
Administration	1,563,826	1,606,368	1,608,960
Fiscal	338,914	408,649	354,272
Operation and Maintenance of Plant	1,318,203	1,561,892	1,725,525
Pupil Transportation	638,700	758,992	738,880
Central	176,067	723,853	336,195
Operation of Non-Instructional Services:			
Food Service Operations	507,088	709,278	769,808
Other	38,419	0	0
Extracurricular Activities	853,972	827,423	605,391
Interest and Fiscal Charges	1,439,737	1,436,652	1,414,284
<i>Total Expenses</i>	<u>17,394,100</u>	<u>18,527,616</u>	<u>19,107,496</u>
<b>Program Revenues:</b>			
Charges for Services and Sales:			
Instruction:			
Regular	292,218	68,346	87,936
Special	0	252,209	293,566
Support Services:			
Administration	0	0	0
Operation and Maintenance of Plant	0	1,887	56,147
Central	0	0	0
Operation of Non-Instructional Services:			
Food Service Operations	308,139	307,252	306,955
Extracurricular Activities	164,482	158,769	205,423
Operating Grants, Contributions and Interest	1,166,727	1,825,734	1,095,980
Capital Grants and Contributions	0	11,537	81,945
<i>Total Program Revenues</i>	<u>1,931,566</u>	<u>2,625,734</u>	<u>2,127,952</u>
<i>Net Expense</i>	<u>(\$15,462,534)</u>	<u>(\$15,901,882)</u>	<u>(\$16,979,544)</u>



2006	2007	2008	2009	2010
\$10,688,689	\$10,582,275	\$9,124,413	\$10,677,696	\$10,744,690
2,439,645	2,365,992	3,461,580	3,737,457	3,480,713
287,435	257,219	322,651	366,810	416,751
0	0	45,425	37,718	37,137
78,724	30,992	0	0	0
430,233	467,042	711,515	784,521	982,539
915,727	956,443	1,417,994	1,418,333	1,763,845
115,654	67,899	110,433	99,197	172,366
1,802,648	1,416,671	1,767,721	1,994,994	2,105,097
448,744	458,381	619,797	629,851	692,700
2,215,894	2,080,527	2,236,400	2,512,425	2,966,110
829,517	716,026	934,026	983,314	1,002,105
211,797	179,202	412,842	176,898	310,561
787,325	853,448	809,185	829,374	813,967
0	0	132,350	113,745	116,748
804,270	743,440	837,125	813,285	897,254
682,064	1,497,002	1,259,400	1,324,861	1,289,462
<u>22,738,366</u>	<u>22,672,559</u>	<u>24,202,857</u>	<u>26,500,479</u>	<u>27,792,045</u>
770,197	1,038,830	2,661,887	2,403,502	2,349,812
13,016	4,623	8,671	16,490	16,964
61	0	0	0	0
50,000	2,960	0	0	0
0	283	940	346	270
346,271	353,416	331,918	304,947	292,300
181,387	174,648	197,951	171,837	187,599
2,412,745	2,304,710	2,787,915	2,383,537	2,806,552
79,972	167,980	10,234	16,990	0
<u>3,853,649</u>	<u>4,047,450</u>	<u>5,999,516</u>	<u>5,297,649</u>	<u>5,653,497</u>
<u>(\$18,884,717)</u>	<u>(\$18,625,109)</u>	<u>(\$18,203,341)</u>	<u>(\$21,202,830)</u>	<u>(\$22,138,548)</u>

(continued)

**LONDON CITY SCHOOL DISTRICT**

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

<u>Fiscal Year</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>General Revenues and Special Item:</b>			
Property Taxes Levied for:			
General Purposes	\$5,304,995	\$5,637,948	\$5,785,450
Debt Service	1,764,652	1,835,106	1,906,748
Income Taxes	0	0	0
Revenue in Lieu of Taxes	0	17,675	137,634
Grants and Entitlements not Restricted to Specific Programs	7,100,635	7,374,650	8,051,465
Contributions and Donations not Restricted to Specific Programs	0	163	634
Interest	584,811	159,030	76,731
Miscellaneous	338,892	132,649	272,416
Special Item	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total General Revenues and Special Item</i>	15,093,985	15,157,221	16,231,078
<i>Prior Year Restatement of Governmental Type Net Assets</i>	<u>0</u>	<u>0</u>	<u>9,345,037</u>
<i>Change in Net Assets</i>	<u><u>(\$368,549)</u></u>	<u><u>(\$744,661)</u></u>	<u><u>\$8,596,571</u></u>

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$6,860,211	\$5,721,177	\$5,229,375	\$5,430,875	\$7,925,465
2,363,308	1,939,375	1,867,559	2,052,043	3,226,972
452,315	2,433,533	3,033,446	2,930,638	2,764,319
468,895	177,753	153,597	301,464	183,955
7,566,868	8,388,079	8,520,340	31,926,050	9,450,587
30,858	0	21,423	31,697	88,418
82,703	32,781	226,579	12,509	19,470
712,451	242,666	54,827	83,054	62,530
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,570,919)</u>
18,537,609	18,935,364	19,107,146	42,768,330	20,150,797
<u>0</u>	<u>0</u>	<u>0</u>	<u>(265,868)</u>	<u>0</u>
<u>(\$347,108)</u>	<u>\$310,255</u>	<u>\$903,805</u>	<u>\$21,299,632</u>	<u>(\$1,987,751)</u>

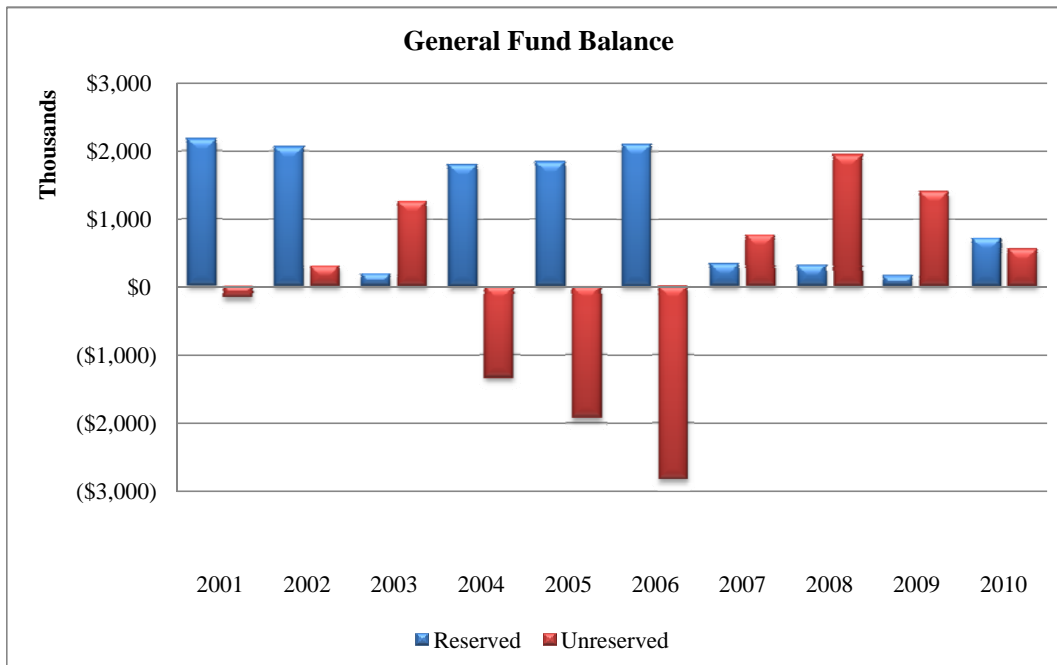
**LONDON CITY SCHOOL DISTRICT**  
*Program Revenues by Function/Program*  
*Governmental Activities*  
*Last Eight Fiscal Years*  
*(accrual basis of accounting)*

Fiscal Year	2003	2004	2005
<b>Function / Program:</b>			
Instruction:			
Regular	\$344,590	\$177,040	\$173,021
Special	618,789	1,217,414	758,297
Vocational	7,008	7,451	5,101
Adult/Continuing	79,662	0	0
Other	0	69,464	90,524
Support Services:			
Pupils	10,533	7,782	6,368
Instructional Staff	193,573	224,387	150,473
Administration	0	75,060	31,641
Operation and Maintenance of Plant	0	1,887	56,147
Pupil Transportation	0	11,537	65,355
Central	0	37,104	25,414
Operation of Non-Instructional Services:			
Food Service Operations	512,929	637,839	560,188
Other	0	0	0
Extracurricular Activities	164,482	158,769	205,423
<i>Total Program Revenues</i>	<u><u>\$1,931,566</u></u>	<u><u>\$2,625,734</u></u>	<u><u>\$2,127,952</u></u>

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$1,322,906	\$1,438,350	\$2,798,473	\$2,493,904	\$2,489,291
890,390	1,314,228	1,161,730	1,441,915	1,285,336
25,066	32,025	33,191	28,408	28,640
0	0	47,723	39,718	40,051
232,565	89,957	0	0	0
16,954	7,294	489,046	69,198	238,290
218,875	179,606	314,187	158,404	433,820
5,313	1,951	0	5,080	6,120
50,000	2,960	0	0	47,948
79,972	24,498	34,127	47,784	46,239
23,481	19,592	22,124	22,216	14,415
806,740	762,341	684,960	659,574	694,124
0	0	136,372	127,212	118,546
<u>181,387</u>	<u>174,648</u>	<u>277,583</u>	<u>204,236</u>	<u>210,677</u>
<u>\$3,853,649</u>	<u>\$4,047,450</u>	<u>\$5,999,516</u>	<u>\$5,297,649</u>	<u>\$5,653,497</u>

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

	2001	2002	2003	2004
<b>General Fund:</b>				
Reserved	\$2,168,220	\$2,049,433	\$180,310	\$1,797,555
Unreserved (Deficit)	(173,535)	298,317	1,256,443	(1,343,729)
<i>Total General Fund (Deficit)</i>	<u>1,994,685</u>	<u>2,347,750</u>	<u>1,436,753</u>	<u>453,826</u>
<b>All Other Governmental Funds:</b>				
Reserved	67,200	4,909,751	16,168,671	1,965,605
Unreserved, Undesignated (Deficit), Reported in:				
Special Revenue Funds	182,405	271,541	66,901	110,791
Debt Service Fund	63,846	322,561	1,343,194	689,105
Capital Projects Funds	30,081,744	24,834,695	6,057,684	1,471,953
<i>Total All Other Governmental Funds</i>	<u>30,395,195</u>	<u>30,338,548</u>	<u>23,636,450</u>	<u>4,237,454</u>
<i>Total Governmental Funds</i>	<u><u>\$32,389,880</u></u>	<u><u>\$32,686,298</u></u>	<u><u>\$25,073,203</u></u>	<u><u>\$4,691,280</u></u>



<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$1,830,238	\$2,090,280	\$331,116	\$304,927	\$150,795	\$707,717
(1,937,321)	(2,841,918)	746,047	1,937,277	1,396,159	548,756
<u>(107,083)</u>	<u>(751,638)</u>	<u>1,077,163</u>	<u>2,242,204</u>	<u>1,546,954</u>	<u>1,256,473</u>
719,774	777,452	49,300	19,265	211,032	561,685
(63,619)	147,351	(91,084)	(303,043)	(183,630)	464,280
602,449	1,029,858	1,965,130	1,837,003	1,876,747	2,439,402
<u>735,412</u>	<u>202,352</u>	<u>67,739</u>	<u>39,291</u>	<u>701,791</u>	<u>5,792,601</u>
<u>1,994,016</u>	<u>2,157,013</u>	<u>1,991,085</u>	<u>1,592,516</u>	<u>2,605,940</u>	<u>9,257,968</u>
<u>\$1,886,933</u>	<u>\$1,405,375</u>	<u>\$3,068,248</u>	<u>\$3,834,720</u>	<u>\$4,152,894</u>	<u>\$10,514,441</u>

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

	2001	2002	2003	2004
<b><u>Revenues:</u></b>				
Property Taxes	\$5,386,116	\$7,157,556	\$7,099,182	\$7,556,937
Revenue in Lieu of Taxes	0	0	0	0
Income Taxes	0	0	0	0
Intergovernmental	7,339,475	8,265,225	8,267,362	9,028,844
Interest	200,876	1,065,424	584,811	159,022
Tuition and Fees	91,062	144,628	605,772	308,164
Extracurricular Activities	184,743	167,821	159,067	171,394
Customer Sales and Services	0	303,755	0	307,019
Contributions and Donations	0	0	0	0
Rent	0	0	0	0
Miscellaneous	125,530	334,062	338,892	152,754
<i>Total Revenues</i>	<u>13,327,802</u>	<u>17,438,471</u>	<u>17,055,086</u>	<u>17,684,134</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	6,024,266	5,975,581	6,825,149	7,087,667
Special	1,514,891	1,675,932	1,897,702	2,086,546
Vocational	265,054	272,712	286,269	304,530
Adult Continuing	41,199	51,942	79,662	0
Other	0	0	0	69,994
Support:				
Pupils	505,879	523,530	399,682	437,411
Instructional Staff	607,293	699,304	728,365	753,987
Board of Education	41,601	62,213	81,986	89,834
Administration	1,215,133	1,398,133	1,549,501	1,575,375
Fiscal	311,953	444,721	336,828	406,229
Business	3,052	3,961	0	0
Operation and Maintenance of Plant	1,263,903	1,343,533	1,333,132	1,559,912
Pupil Transportation	566,509	594,796	721,130	716,657
Central	117,380	135,616	126,195	717,922
Operation of Non-Instructional Services	78,585	631,663	629,353	705,005
Extracurricular Activities	522,300	615,431	636,263	597,666
Capital Outlay	300	2,917,751	7,346,191	18,920,233
Debt Service:				
Principal Retirement	115,000	31,522,531	250,000	605,000
Interest and Fiscal Charges	79,249	0	1,440,773	1,432,089
<i>Total Expenditures</i>	<u>13,273,547</u>	<u>48,869,350</u>	<u>24,668,181</u>	<u>38,066,057</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>\$54,255</u>	<u>(\$31,430,879)</u>	<u>(\$7,613,095)</u>	<u>(\$20,381,923)</u>



2005	2006	2007	2008	2009	2010
\$7,664,629	\$9,092,869	\$7,803,851	\$7,056,283	\$7,679,344	\$10,305,149
0	468,895	177,753	286,531	434,398	183,955
0	452,315	2,433,533	2,783,617	2,984,164	2,783,518
9,291,175	10,067,314	10,651,939	10,967,589	12,494,709	20,837,029
76,731	82,703	186,881	226,579	12,509	19,470
380,766	359,820	466,456	446,935	490,606	479,758
206,159	181,837	174,931	198,891	172,183	187,869
306,955	396,271	1,353,416	2,516,455	2,270,282	2,175,587
0	0	0	101,055	64,096	111,496
0	0	0	908	2,075	3,885
466,799	711,197	245,626	54,827	83,054	62,530
<u>18,393,214</u>	<u>21,813,221</u>	<u>23,494,386</u>	<u>24,639,670</u>	<u>26,687,420</u>	<u>37,150,246</u>
7,372,518	9,100,131	9,023,508	8,490,058	9,874,736	9,942,404
2,318,461	2,438,858	2,378,591	3,265,215	3,642,048	3,357,065
302,698	285,865	261,620	291,068	340,326	392,652
0	0	0	45,425	37,718	37,137
0	78,724	30,405	0	0	0
434,089	424,613	466,140	678,947	739,924	922,261
708,591	825,857	865,298	1,182,951	1,175,994	1,545,742
130,110	115,654	67,899	110,433	99,197	172,366
1,384,925	1,817,722	1,433,778	1,666,927	1,810,884	1,965,232
339,852	448,129	461,350	594,898	599,230	673,235
0	0	0	0	0	0
1,754,057	2,176,985	2,088,572	2,200,115	2,410,278	2,435,431
697,580	772,461	748,017	977,427	988,639	1,038,293
319,848	211,428	180,488	397,700	163,761	309,705
757,807	770,389	834,461	861,996	852,103	854,426
579,912	678,466	644,424	701,767	677,786	763,397
2,005,056	111,390	219,386	125,964	706,061	3,885,929
675,000	900,136	1,193,257	1,342,481	1,534,183	1,810,894
<u>1,417,057</u>	<u>1,139,225</u>	<u>1,153,705</u>	<u>1,065,790</u>	<u>1,001,355</u>	<u>939,867</u>
<u>21,197,561</u>	<u>22,296,033</u>	<u>22,050,899</u>	<u>23,999,162</u>	<u>26,654,223</u>	<u>31,046,036</u>
<u>(\$2,804,347)</u>	<u>(\$482,812)</u>	<u>\$1,443,487</u>	<u>\$640,508</u>	<u>\$33,197</u>	<u>\$6,104,210</u>

(continued)

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

	2001	2002	2003	2004
<b><i>Other Financing Sources (Uses):</i></b>				
Refunding General Obligation Bonds Issued	\$0	\$0	\$0	\$0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Premium on Debt Issuance	119,400	850,301	0	0
Proceeds from Sale of Capital Assets	11,567	966,996	0	0
General Obligation Bonds Issued	0	29,910,000	0	0
Proceeds from Sale of Notes	30,000,000	0	0	0
Inception of Capital Lease	0	0	0	0
Transfers In	201,464	397,290	54,604	0
Transfers Out	(201,464)	(397,290)	(54,604)	0
<i>Total Other Financing Sources (Uses)</i>	<u>30,130,967</u>	<u>31,727,297</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$30,185,222</u>	<u>\$296,418</u>	<u>(\$7,613,095)</u>	<u>(\$20,381,923)</u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	1.5%	69.2%	10.0%	10.9%

2005	2006	2007	2008	2009	2010
\$0	\$15,944,864	\$0	\$0	\$0	\$0
0	(17,390,068)	0	0	0	0
0	1,445,204	0	0	0	0
0	1,254	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	219,386	125,964	284,977	257,337
0	231,430	0	0	304,696	642,003
0	(231,430)	0	0	(304,696)	(642,003)
0	1,254	219,386	125,964	284,977	257,337
<u>(\$2,804,347)</u>	<u>(\$481,558)</u>	<u>\$1,662,873</u>	<u>\$766,472</u>	<u>\$318,174</u>	<u>\$6,361,547</u>
11.3%	9.2%	10.8%	10.2%	9.8%	10.1%

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

Collection Year	Real Property				Tangible Personal Property	
	Assessed Value		Total Real Property Assessed Value	Estimated Actual Value	Public Utility	
	Residential/Agricultural	Commercial/Industrial/PU			Assessed Value	Estimated Actual Value
2000	\$140,046,940	\$32,704,290	\$172,751,230	\$493,574,943	\$14,498,190	\$57,992,760
2001	143,987,670	33,579,580	177,567,250	507,335,000	12,483,450	49,933,800
2002	147,506,460	38,432,400	185,938,860	531,253,886	11,742,850	46,971,400
2003	174,201,370	42,121,480	216,322,850	618,065,286	12,791,290	51,165,160
2004	179,265,400	43,104,760	222,370,160	635,343,314	11,095,370	44,381,480
2005	183,178,160	45,521,890	228,700,050	653,428,714	10,949,810	43,799,240
2006	206,097,720	48,748,550	254,846,270	728,132,200	9,661,140	38,644,560
2007	210,926,350	50,170,340	261,096,690	745,990,543	9,662,390	38,649,560
2008	215,537,670	51,528,780	267,066,450	763,047,000	8,404,680	33,618,720
2009	230,614,110	58,545,170	289,159,280	826,169,371	8,537,920	34,151,680
2010	231,902,160	57,475,370	289,377,530	826,792,943	8,667,490	34,669,960

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax has been phased out. The assessment percentage was 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers, except telephone companies whose last year to pay tangible personal property tax is 2010. The percentages for telecommunications are 10.0 percent for 2009, 5.0 percent for 2010, and zero for 2011.

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

Source: Ohio Department of Taxation

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

Tangible Personal Property General Business		Total			Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio (1)	
\$24,113,480	\$96,453,920	\$211,362,900	\$648,021,623	32.62%	\$27.09
26,840,600	107,362,400	216,891,300	664,631,200	32.63	27.02
28,561,050	114,244,200	226,242,760	692,469,486	32.67	36.02
23,281,256	93,125,024	252,395,396	762,355,470	33.11	31.92
25,902,048	103,608,192	259,367,578	783,332,986	33.11	31.87
31,947,208	127,788,832	271,597,068	825,016,786	32.92	32.02
26,282,444	140,173,035	290,789,854	906,949,795	32.06	30.66
18,769,578	150,156,624	289,528,658	934,796,727	30.97	30.23
12,749,820	203,997,120	288,220,950	1,000,662,840	28.80	29.81
788,700	7,887,000	298,485,900	868,208,051	34.38	30.04
0	0	298,045,020	861,462,903	34.60	29.99

**London City School District**  
**Principal Property Taxpayers**  
**Real Property Tax**  
**2010 and 2005**

Tax Payer	2010		Percentage of Real Property Assessed Valuation
	Assessed Value	Rank	
Stanley Electric U.S. Company Inc.	\$7,091,350	1	2.45%
Ohio Edison Company	4,261,340	2	1.47%
American Transmission Systems Inc.	3,004,720	3	1.04%
MTB Corporation	2,005,130	4	0.69%
Continental 47 Fund LTD	1,798,010	5	0.68%
Nissen Chemitec America	1,756,700	6	0.61%
London Apartments 2204 LLC	1,576,180	7	0.54%
The Kroger Company	1,504,000	8	0.52%
Jerry M Alcott	1,450,700	9	0.55%
SARBG London LTD	1,387,230	10	0.48%
Ohio Bell Telephone Company	-		-
Madison Health Partners LLC	-		-
Total	25,835,360		9.03%
All Others	263,542,170		91.07%
Total Assessed Valuation	<u>\$289,377,530</u>		<u>100.00%</u>

Source: Madison County Auditor

(1) Information prior to 2005 was unavailable.

2005 (1)		
Assessed Value	Rank	Percentage of Real Property Assessed Valuation
\$3,982,310	1	1.75%
3,184,870	2	1.40%
2,257,760	3	0.99%
-		-
1,376,290	5	0.60%
1,059,090	9	0.46%
1,308,280	6	0.57%
1,171,220	8	0.51%
-		-
1,000,070	10	0.44%
1,769,510	4	0.77%
<u>1,171,460</u>	7	<u>0.51%</u>
18,280,860		8.00%
<u>210,419,190</u>		<u>92.00%</u>
<u><u>\$228,700,050</u></u>		<u><u>100.00%</u></u>

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

	2001	2002	2003
<b>UNVOTED MILLAGE:</b>			
Operating	\$4.20	\$4.20	\$4.20
<b>VOTED MILLAGE - BY LEVY:</b>			
1976 Current Expense			
Residential/Agricultural Real	\$9.76	\$9.67	\$8.31
Commercial/Industrial and Public Utility Real	13.37	12.98	11.28
General Business and Public Utility Personal	20.20	20.20	20.20
1996 Current Expense			
Residential/Agricultural Real	9.86	9.78	8.40
Commercial/Industrial and Public Utility Real	11.16	10.83	9.41
General Business and Public Utility Personal	12.90	12.90	12.90
2001 Bond Levy (\$30,000,000)			
Residential/Agricultural Real	0.00	9.20	8.00
Commercial/Industrial and Public Utility Real	0.00	9.20	8.00
General Business and Public Utility Personal	0.00	9.20	8.00
<b>TOTAL VOTED MILLAGE BY TYPE OF PROPERTY</b>			
Residential/Agricultural Real	19.62	28.65	24.71
Commercial/Industrial and Public Utility Real	24.53	33.01	28.69
General Business and Public Utility Personal	33.10	42.30	41.10
<b>TOTAL UNVOTED AND VOTED MILLAGE BY TYPE OF PROPERTY</b>			
Residential/Agricultural Real	23.82	32.85	28.91
Commercial/Industrial and Public Utility Real	28.73	37.21	32.89
General Business and Public Utility Personal	37.30	46.50	45.30
<b>OVERLAPPING RATES BY TAXING DISTRICT</b>			
<b>TOWNSHIPS:</b>			
Residential/Agricultural Real	0.18 - 1.40	0.18 - 1.40	0.16 - 1.40
Commercial/Industrial and Public Utility Real	0.31 - 1.40	0.32 - 1.40	0.23 - 1.40
General Business and Public Utility Personal	0.40 - 1.40	0.40 - 1.40	0.40 - 1.40
<b>CORPORATIONS:</b>			
Residential/Agricultural Real	0.40 - 1.83	0.40 - 1.81	0.40 - 1.78
Commercial/Industrial and Public Utility Real	0.40 - 2.02	0.40 - 1.97	0.40 - 1.85
General Business and Public Utility Personal	0.40 - 2.10	0.40 - 2.10	0.40 - 2.10
<b>TOLLES CAREER AND TECHNICAL CENTER:</b>			
Residential/Agricultural Real	1.10	1.10	0.50
Commercial/Industrial and Public Utility Real	1.10	1.10	0.50
General Business and Public Utility Personal	1.10	1.10	0.50
<b>COUNTY AND OTHER UNITS:</b>			
Residential/Agricultural Real	0.04 - 3.00	0.04 - 3.00	0.03 - 3.00
Commercial/Industrial and Public Utility Real	0.04 - 3.00	0.04 - 3.00	0.04 - 3.00
General Business and Public Utility Personal	0.10 - 3.00	0.10 - 3.00	0.10 - 3.00

Source: Ohio Department of Taxation

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

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

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



2004	2005	2006	2007	2008	2009	2010
<u>\$4.20</u>	<u>\$4.20</u>	<u>\$4.20</u>	<u>\$4.20</u>	<u>\$4.20</u>	<u>\$4.20</u>	<u>\$4.20</u>
\$8.29	\$8.27	\$8.02	\$8.02	\$8.02	\$8.19	\$8.20
11.25	10.97	10.32	10.27	10.27	9.68	9.95
20.20	20.20	20.20	20.20	20.20	20.20	20.20
8.38	8.36	7.78	7.78	7.78	7.61	7.62
9.39	9.15	8.61	8.57	8.57	8.08	8.31
12.90	12.90	12.90	12.90	12.90	12.90	12.90
8.00	8.00	8.00	8.00	8.00	8.00	9.00
8.00	8.00	8.00	8.00	8.00	8.00	9.00
<u>8.00</u>	<u>8.00</u>	<u>8.00</u>	<u>8.00</u>	<u>8.00</u>	<u>8.00</u>	<u>9.00</u>
24.67	24.63	23.80	23.80	23.80	23.80	24.82
28.64	28.12	26.93	26.84	26.84	25.76	27.26
<u>41.10</u>	<u>41.10</u>	<u>41.10</u>	<u>41.10</u>	<u>41.10</u>	<u>41.10</u>	<u>42.10</u>
28.87	28.83	28.00	28.00	28.00	28.00	29.02
32.84	32.32	31.13	31.04	31.04	29.96	31.46
<u>45.30</u>	<u>45.30</u>	<u>45.30</u>	<u>45.30</u>	<u>45.30</u>	<u>45.30</u>	<u>46.30</u>
0.16 - 1.40	0.16 - 1.40	0.14 - 1.40	0.22 - 1.40	0.32 - 1.40	0.47 - 1.40	0.47 - 1.40
0.23 - 1.40	0.23 - 1.40	0.20 - 1.40	0.21 - 1.40	0.30 - 1.40	0.50 - 1.40	0.50 - 1.40
0.40 - 1.40	0.40 - 1.40	0.40 - 1.40	0.40 - 1.40	0.50 - 1.40	0.50 - 1.40	0.50 - 1.40
0.40 - 1.77	0.40 - 1.76	0.40 - 1.27	0.40 - 1.59	0.40 - 2.10	0.40 - 2.00	0.40 - 2.00
0.40 - 1.84	0.40 - 1.79	0.40 - 1.32	0.40 - 1.69	0.40 - 2.10	0.40 - 1.98	0.40 - 2.03
0.40 - 2.10	0.40 - 2.10	0.40 - 1.40	0.40 - 2.10	0.40 - 2.10	0.40 - 2.10	0.40 - 2.10
0.50	0.50	0.50	1.30	1.30	1.30	1.30
0.50	0.50	0.50	1.30	1.30	1.30	1.30
0.50	0.50	0.50	1.30	1.30	1.30	1.30
0.03 - 3.00	0.03 - 3.00	0.03 - 3.00	0.03 - 3.00	0.03 - 4.75	0.03 - 4.05	0.03 - 4.07
0.04 - 3.00	0.04 - 3.00	0.03 - 3.00	0.03 - 3.00	0.03 - 4.69	0.03 - 4.30	0.03 - 4.46
0.10 - 3.00	0.10 - 3.00	0.10 - 3.00	0.10 - 3.00	0.10 - 4.75	0.10 - 4.75	0.10 - 4.75

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

<u>Collection Year (1)</u>	<u>Total Tax Levied (2)</u>	<u>Current Tax Collection (3)</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Tax Collections (4)</u>	<u>Total Tax Collections</u>	<u>Percent Of Total Collections To Total Levy</u>
2000	\$5,489,750	\$4,129,844	75.23%	\$177,734	\$4,307,578	78.47%
2001	5,759,489	4,192,351	72.79%	171,743	4,364,094	75.77%
2002	8,069,697	5,730,123	71.01%	213,237	5,943,360	73.65%
2003	8,295,079	5,892,306	71.03%	301,200	6,193,506	74.66%
2004	8,514,903	4,497,805	52.82%	422,897	4,920,702	57.79%
2005	8,442,332	5,815,340	68.88%	251,399	6,066,739	71.86%
2006	9,188,072	6,758,762	73.56%	236,875	6,995,637	76.14%
2007	9,102,220	5,868,505	64.47%	216,626	6,085,131	66.85%
2008	8,879,610	5,194,177	58.50%	226,895	5,421,072	61.05%
2009	8,211,127	5,704,632	69.47%	67,530	5,772,162	70.30%

Source: Madison County Auditor

- (1) The 2010 information cannot be presented because all collections have not been made by June 30, 2010.
- (2) Taxes levied and collected are presented on a cash basis because that is the manner that information is maintained by the County Auditor.
- (3) State reimbursements of rollback and homestead exemptions are not included.
- (4) Penalties and interest are included since, by Ohio law, they become part of the tax obligation as assessment occurs.

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

Fiscal Year	General Obligation Bonds (1)	Energy Notes Payable (1)	Capital Leases (1)	Bond and Tax Anticipation Notes Payable (1)	Total Outstanding Debt
2001	\$0	\$325,000	\$16,964	\$30,000,000	\$30,341,964
2002	29,910,000	205,000	0	0	30,115,000
2003	29,710,000	155,000	0	0	29,865,000
2004	29,155,000	105,000	0	0	29,260,000
2005	28,530,000	55,000	0	1,210,000	29,795,000
2006	29,102,344	0	0	1,210,000	30,312,344
2007	28,253,529	0	216,129	995,000	29,464,658
2008	26,288,372	0	269,612	765,000	27,322,984
2009	25,215,048	0	405,406	525,000	26,145,454
2010	23,883,797	0	521,849	270,000	24,675,646

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

Estimated Actual Value (2)	Population (3)	Personal Income (4)	Ratio of Debt to Estimated Actual Value	Ratio of Debt to Personal Income	Debt Per Capita
\$664,631,200	8,771	\$161,421,484	4.57%	18.80%	\$3,459.35
692,469,486	8,771	161,421,484	4.35%	18.66%	3,433.47
762,355,470	8,771	161,421,484	3.92%	18.50%	3,404.97
783,332,986	8,771	161,421,484	3.74%	18.13%	3,335.99
825,016,786	8,771	161,421,484	3.61%	18.46%	3,396.99
906,949,795	8,771	161,421,484	3.34%	18.78%	3,455.97
934,796,727	8,771	161,421,484	3.15%	18.25%	3,359.33
1,000,662,840	8,771	161,421,484	2.73%	16.93%	3,115.15
868,208,051	8,771	161,421,484	3.01%	16.20%	2,980.90
861,462,903	8,771	161,421,484	2.86%	15.29%	2,813.32

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

Fiscal Year	General Obligation Bonded Debt	Estimated Actual Value (1)	Population (2)	Ratio of General Obligation Debt to Estimated Actual Value	General Obligation Debt Per Capita
2002	\$29,910,000	\$692,469,486	8,771	4.32%	\$3,410.10
2003	29,710,000	762,355,470	8,771	3.90%	3,387.30
2004	29,155,000	783,332,986	8,771	3.72%	3,324.02
2005	28,530,000	825,016,786	8,771	3.46%	3,252.76
2006	29,102,344	906,949,795	8,771	3.21%	3,318.02
2007	28,253,529	934,796,727	8,771	3.02%	3,221.24
2008	26,288,372	1,000,662,840	8,771	2.63%	2,997.19
2009	25,215,048	868,208,051	8,771	2.90%	2,874.82
2010	23,883,797	861,462,903	8,771	2.77%	2,723.04

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

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

**London City School District**  
*Computation of Direct and Overlapping Debt*  
 June 30, 2010

Jurisdiction	Debt Attributable to Governmental Activities	Percentage Applicable to District (1)	Amount Applicable to District
Direct:			
London City School District:			
General Obligation Bonds	\$23,883,797	100.00%	\$23,883,797
Capital Lease Obligation	<u>521,849</u>	100.00	<u>521,849</u>
Total Direct Debt	<u>24,405,646</u>		<u>24,405,646</u>
Overlapping:			
Madison County:			
General Obligation Bonds	3,279,311	35.69	1,170,386
Note Obligations	272,677	35.69	97,318
Capital Lease Obligation	274,843	35.69	98,091
City of London:			
General Obligation Bonds	387,500	99.97	387,384
Loan Obligation	775,025	99.97	774,792
Tolles Career and Technical Center:			
General Obligation Bonds	5,450,000	4.69	255,605
Capital Lease Obligation	<u>46,024</u>	4.69	<u>2,159</u>
Total Overlapping Debt	<u>10,485,380</u>		<u>2,785,735</u>
Total Direct and Overlapping Debt	<u>\$34,891,026</u>		<u>\$27,191,381</u>

Source: Ohio Municipal Advisory Council

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

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

	2001	2002	2003
Total Assessed Valuation	\$216,891,300	\$226,242,760	\$252,395,396
Less Railroad and Telephone Property Valuation	0	0	0
Less General Business Tangible Personal Property Valuation	0	0	0
Total Assessed Valutaion used to Calculate Legal Debt Margin (1)	216,891,300	226,242,760	252,395,396
Overall debt limitation - 9.0% of assessed valuation (2)	19,520,217	20,361,848	22,715,586
Gross indebtedness authorized by the School District	30,325,000	30,115,000	29,865,000
Less exempt debt:			
Energy Conservation Loan	(325,000)	(205,000)	(155,000)
Bond Anticipation Note	(30,000,000)	0	0
Tax Anticipation Note	0	0	0
Debt within 9.0% limitation	0	29,910,000	29,710,000
Less amount available in the debt service fund	(63,846)	(1,056,680)	(1,343,194)
Net debt within 9.0% limitation	(63,846)	28,853,320	28,366,806
Legal debt margin within 9.0% limitation	<u>\$19,584,063</u>	<u>(\$8,491,472)</u>	<u>(\$5,651,220)</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.3%	-41.7%	-24.9%
<hr/>			
Energy Conservation Debt limitation 0.9% of assessed valuation	\$1,952,022	\$2,036,185	\$2,271,559
Net debt within 0.9% limitation	(325,000)	(205,000)	(155,000)
Energy Conservation Debt Margin	<u>\$1,627,022</u>	<u>\$1,831,185</u>	<u>\$2,116,559</u>
Energy Conservation Debt Margin as a Percentage of the Energy Conservation Debt Limit	83.4%	89.9%	93.2%
<hr/>			
Unvoted debt limitation .10% of assessed valuation (2)	\$216,891	\$226,243	\$252,395
Net debt within 0.9% limitation	0	0	0
Legal debt margin within .10% limitation	<u>\$216,891</u>	<u>\$226,243</u>	<u>\$252,395</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.0%	100.0%	100.0%

Source: Madison County Auditor and School District Records

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

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



2004	2005	2006	2007	2008	2009	2010
\$259,367,578	\$271,597,068	\$290,789,854	\$289,528,658	\$288,220,950	\$298,485,900	\$298,045,020
0	0	(2,858,810)	(2,460,310)	(1,631,940)	(1,263,290)	(786,330)
0	0	(26,282,444)	(18,769,578)	(12,749,820)	(788,700)	0
259,367,578	271,597,068	261,648,600	268,298,770	273,839,190	296,433,910	297,258,690
23,343,082	24,443,736	23,548,374	24,146,889	24,645,527	26,679,052	26,753,282
29,260,000	29,795,000	28,894,864	27,489,864	25,989,864	24,364,864	22,439,864
(105,000)	(55,000)	0	0	0	0	0
0	0	0	0	0	0	0
0	(1,210,000)	(1,210,000)	(995,000)	(765,000)	(525,000)	(270,000)
29,155,000	28,530,000	27,684,864	26,494,864	25,224,864	23,839,864	22,169,864
(1,269,805)	(1,188,249)	(1,777,658)	(1,965,130)	(1,837,003)	(1,876,747)	(2,676,114)
27,885,195	27,341,751	25,907,206	24,529,734	23,387,861	21,963,117	19,493,750
(\$4,542,113)	(\$2,898,015)	(\$2,358,832)	(\$382,845)	\$1,257,666	\$4,715,935	\$7,259,532
-19.5%	-11.9%	-10.0%	-1.6%	5.1%	17.7%	27.1%
\$2,334,308	\$2,444,374	\$2,354,837	\$2,414,689	\$2,464,553	\$2,667,905	\$2,675,328
(105,000)	(55,000)	0	0	0	0	0
\$2,229,308	\$2,389,374	\$2,354,837	\$2,414,689	\$2,464,553	\$2,667,905	\$2,675,328
95.5%	97.7%	100.0%	100.0%	100.0%	100.0%	100.0%
\$259,368	\$271,597	\$290,790	\$289,529	\$288,221	\$296,434	\$297,259
0	0	0	0	0	0	0
\$259,368	\$271,597	\$290,790	\$289,529	\$288,221	\$296,434	\$297,259
100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

Year	Population (1)	Total Personal Income (2)	Per Capita Personal Income (1)	Median Household Income (1)	Median Age (1)
2001	8,771	\$161,421,484	\$18,404	\$35,641	35.5
2002	8,771	161,421,484	18,404	35,641	35.5
2003	8,771	161,421,484	18,404	35,641	35.5
2004	8,771	161,421,484	18,404	35,641	35.5
2005	8,771	161,421,484	18,404	35,641	35.5
2006	8,771	161,421,484	18,404	35,641	35.5
2007	8,771	161,421,484	18,404	35,641	35.5
2008	8,771	161,421,484	18,404	35,641	35.5
2009	8,771	161,421,484	18,404	35,641	35.5
2010	8,771	161,421,484	18,404	35,641	35.5

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

<u>Educational Attainment: Bachelor's Degree or Higher (1)</u>	<u>School Enrollment (3)</u>	<u>Madison County Unemployment Rate (4)</u>	<u>State of Ohio Unemployment Rate (4)</u>	<u>U.S.A. Unemployment Rate (4)</u>	<u>Total Assessed Property Value (5)</u>
827	2,129	4.90%	4.40%	4.70%	\$216,891,300
827	2,098	5.30	5.90	6.00	226,242,760
827	2,082	6.50	6.70	6.50	252,395,396
827	2,250	6.30	6.40	5.80	259,367,578
827	2,067	5.90	6.00	5.20	271,597,068
827	2,090	5.20	5.50	4.80	290,789,854
827	2,161	5.80	5.80	4.70	289,528,658
827	2,157	6.30	6.60	5.70	288,220,950
827	2,108	9.80	11.20	9.70	298,485,900
827	2,089	9.80	10.40	9.60	298,045,020

*London City School District  
Principal Employers  
Fiscal Years 2010 and 2001*

Employer	2010		
	Total Employees	Rank	Percentage of Total Employees
State of Ohio	1,400	1	30.41%
Stanley Electric U.S. Company Inc.	684	2	14.86
Madison County Hospital	425	3	9.23
Madison County	400	4	8.69
Staples Distribution	400	5	8.69
Nissen Chemitec America	384	6	8.34
London City School District	261	7	5.67
Wal-Mart	250	8	5.43
The Kroger Company	200	9	4.34
MATCO Services	200	10	4.34
Amtecko Industries	-	-	-
Church & Dwight	-	-	-
Total Employees	<u>4,604</u>		<u>100.00%</u>

Source: Madison County Chamber of Commerce

2001		
<u>Total Employees</u>	<u>Rank</u>	<u>Percentage of Total Employees</u>
1,327	1	32.77%
629	2	15.54
452	3	11.17
380	4	9.39
-	-	-
320	5	7.91
238	6	5.88
-	-	-
200	8	4.94
190	9	4.69
202	7	4.99
110	10	2.72
<u>4,048</u>		<u>100.00%</u>

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

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

Source: School District Records

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

N/A - Not Available

<u>2007</u> <u>Average Daily</u> <u>Membership</u>	<u>2008</u> <u>Average Daily</u> <u>Membership</u>	<u>2009</u> <u>Average Daily</u> <u>Membership</u>	<u>2010</u> <u>Average Daily</u> <u>Membership</u>
614	616	591	602
343	341	324	449
N/A	1,026	1,034	1,038
984	N/A	N/A	N/A
220	N/A	N/A	N/A
N/A	174	159	N/A

*London City School District  
Employees by Function  
Last Ten Fiscal Years*

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental Activities</b>										
Instruction:										
Regular	104.50	104.50	110.00	106.00	107.00	103.00	108.00	105.00	110.00	119.00
Special	30.00	31.00	30.00	34.00	33.00	33.00	26.00	33.00	33.00	24.00
Vocational	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00	5.00
Support Services:										
Pupils										
Guidance Counselors	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Psychologists	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
Speech and Language Pathologists	1.00	1.00	0.00	0.00	0.00	2.00	2.00	2.00	2.00	3.00
Nurse	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Attendance Officer	0.50	0.50	0.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Instructional Staff										
Aides/Paraprofessionals	18.00	19.00	20.50	20.00	16.00	20.00	21.00	24.00	25.00	26.00
Librarians	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Administration										
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Superintendent	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00
Coordinator	1.00	1.00	2.00	2.00	1.00	1.00	3.00	3.00	3.00	5.00
Executive Assistant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	2.00
Principals/Assistant Principals	7.00	7.00	7.00	7.00	7.00	7.00	6.00	7.00	7.00	7.00
Dean	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Secretaries	11.00	11.00	11.00	11.00	10.00	10.00	10.00	11.00	11.00	9.00
Fiscal										
Treasurer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Accounts Specialists	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	2.00	2.00
Operation and Maintenance of Plant										
Maintenance Supervisor	0.50	0.50	0.50	0.50	0.50	0.50	0.00	1.00	1.00	1.00
Custodians	12.00	11.00	10.00	11.00	11.00	11.00	11.00	10.00	11.00	11.50
Maintenance	3.00	3.00	4.00	4.00	4.00	4.00	4.00	3.50	3.50	2.50
Pupil Transportation										
Transportation Supervisor	0.50	0.50	0.50	1.00	1.00	1.00	0.50	0.50	0.50	0.50
Bus Drivers	12.00	12.00	12.00	12.00	12.00	13.00	12.00	12.50	12.50	13.00
Mechanics	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Central										
EMIS Coordinator	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Technology Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Operation of Non-Instructional Services:										
Food Service Operations:										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Cooks	12.00	13.00	12.00	11.00	16.00	14.00	15.00	13.00	14.00	12.00
Other										
After Care	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Adult Basic Education	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Extracurricular Activities										
Athletic Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Total Number of Employees</b>	<b>237.5</b>	<b>239.5</b>	<b>243.00</b>	<b>244.50</b>	<b>241.50</b>	<b>241.50</b>	<b>240.50</b>	<b>248.50</b>	<b>258.00</b>	<b>261.00</b>

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

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

Information prior to fiscal year 2001 was not available.

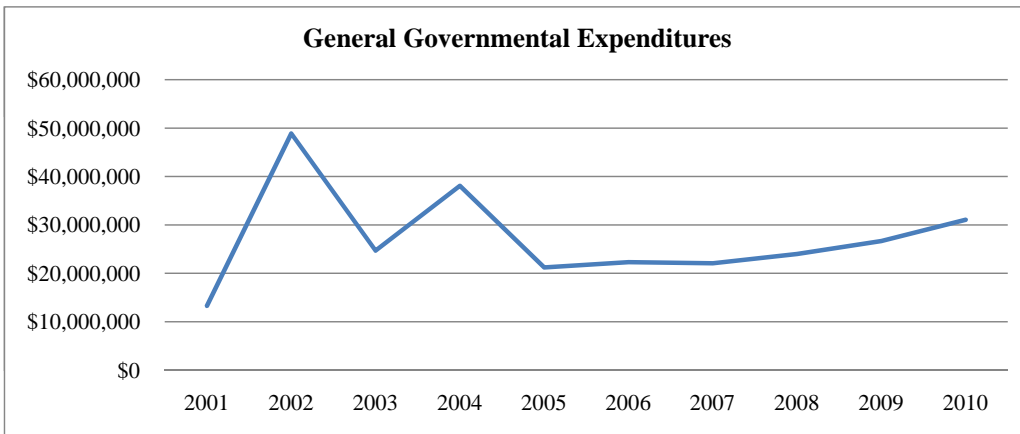


**London City School District**  
*Per Pupil Cost*  
*Last Ten Fiscal Years*

Year	General Government Expenditures (1)	Average Daily Membership	Per Pupil Cost	Teaching Staff	Pupil/Teacher Ratio
2001	\$13,273,547	2,129	\$6,235	150	14.19
2002	48,869,350	2,098	23,293	151	13.89
2003	24,668,181	2,082	11,848	152	13.70
2004	38,066,057	2,250	16,918	154	14.61
2005	21,197,561	2,067	10,255	149	13.87
2006	22,296,033	2,090	10,668	153	13.66
2007	22,050,899	2,161	10,204	155	13.94
2008	23,999,162	2,157	11,126	156	13.83
2009	26,654,223	2,108	12,644	159	13.26
2010	31,046,036	2,089	14,862	161	12.98

Source: School District Records

(1) Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

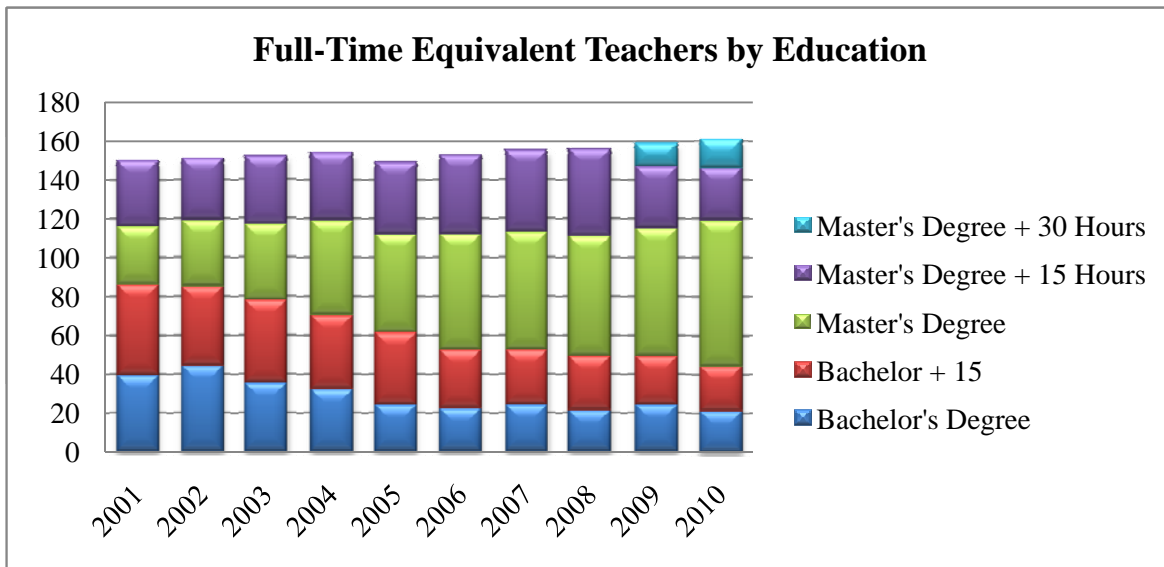


**London City School District**  
**Full-Time Equivalent Teachers by Education**  
**Last Ten Fiscal Years**

Degree	2001	2002	2003	2004
Bachelor's Degree	39	44	35	32
Bachelor + 15 Hours	47	41	43	38
Master's Degree	30	34	39	49
Master's Degree + 15 Hours	34	32	35	35
Master's Degree + 30 Hours	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total	<u>150</u>	<u>151</u>	<u>152</u>	<u>154</u>

Source: School District Records

N/A - Not Available



<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
24	22	24	21	24	21
37	30	28	28	25	23
51	60	61	62	66	75
37	41	42	45	32	27
<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>12</u>	<u>15</u>
<u><u>149</u></u>	<u><u>153</u></u>	<u><u>155</u></u>	<u><u>156</u></u>	<u><u>159</u></u>	<u><u>161</u></u>

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

<u>Years of Experience</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
0 - 5	50	52	55	54
6 - 10	20	22	23	25
11 - 15	21	18	14	14
16 - 20	21	21	22	21
21 - 25	18	17	19	20
26 and over	<u>20</u>	<u>21</u>	<u>19</u>	<u>20</u>
Total	<u><u>150</u></u>	<u><u>151</u></u>	<u><u>152</u></u>	<u><u>154</u></u>

Source: School District Records

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
55	50	46	43	46	41
24	31	34	36	29	37
15	16	19	24	30	30
19	19	16	11	15	16
18	16	18	22	19	18
<u>18</u>	<u>21</u>	<u>22</u>	<u>20</u>	<u>20</u>	<u>19</u>
<u><u>149</u></u>	<u><u>153</u></u>	<u><u>155</u></u>	<u><u>156</u></u>	<u><u>159</u></u>	<u><u>161</u></u>

*London City School District  
Enrollment  
Last Seven Fiscal Years*

<u>Year</u>	<u>Preschool</u>	<u>K</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
2004 (1)	24	168	136	154	163	159	155
2005	36	161	174	130	156	165	153
2006	46	193	153	171	132	163	161
2007	38	162	199	158	171	138	169
2008	41	171	181	185	141	156	151
2009	41	167	174	170	177	145	160
2010	42	155	192	164	170	170	145

Source: School District Records

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

<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>Total</u>
170	178	151	177	152	153	142	2,250
159	146	182	163	156	144	142	2,067
159	180	147	175	145	136	129	2,090
169	177	166	187	169	128	130	2,161
174	163	178	189	154	145	128	2,157
159	159	166	178	151	119	142	2,108
149	150	150	187	158	136	121	2,089

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

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

Source: Food Service Director Records

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

N/A - Not Available



<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
18.25%	18.52%	17.63%	26.00%
N/A	44.37%	50.00%	42.00%
34.41%	34.69%	32.03%	44.00%
N/A	45.42%	43.88%	48.00%
44.27%	N/A	N/A	N/A
39.80%	N/A	N/A	N/A

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

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

For the year ended June 30, 2010

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

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of London City School District, Madison County, Ohio (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 17, 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 deficiencies in internal control such that there is a reasonable possibility that material financial statement misstatements 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 would not necessarily identify all deficiencies in internal control 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. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings that we consider a significant deficiency in internal control over financial reporting. We consider finding 2010-001 to be a significant deficiency. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**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*.

Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

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 17, 2010.

We intend this report solely for the information and use of management, Board of Education, 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 "Kennedy Cottrell Richards LLC". The signature is written in a cursive, flowing style.

Kennedy Cottrell Richards  
December 17, 2010

**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**

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

To the Board of Education:

**Compliance**

We have audited the compliance of London City School District, Madison County, Ohio, (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its 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.

The District's basic financial statements include the operations of London Academy, a component unit of London City School District, which received \$479,200 in federal awards which is not included in the District's Federal Awards Expenditure Schedule for the year ended June 30, 2010. Our audit of Federal awards, described below, did not include the operations of London Academy because the component unit expended less than \$500,000 of Federal awards for the year ended June 30, 2010, thus it was not subject to OMB Circular A-133 audit requirements.

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.

As described in findings 2010-02 and 2010-03 in the accompanying schedule of findings, the District did not comply with the *Reporting* requirements applicable to its ARRA – State Fiscal Stabilization Fund – Education State Grants and ARRA – Special Education Grant to States (Idea, Part B) and the *Matching, Level of Effort, and Earmarking* requirements applicable to its Title I – Local Grants to Education Agencies. Compliance with these requirements is necessary, in our opinion, for the District to comply with requirements applicable to these programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the London City School District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2010.

The results of our auditing procedures also disclosed other instances of noncompliance with those requirements that, while not affecting our opinion on compliance, OMB Circular A-133 requires us to report. The accompanying schedule of findings lists these instances as Findings 2010-04 and 2010-05.

### **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 in order to determine our auditing procedures for the purpose of opining on 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, we cannot assure we have identified all deficiencies, significant deficiencies, or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2010-02 and 2010-03 to be material weaknesses.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a federal program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2010-04 and 2010-05 to be significant deficiencies.

The District's responses to the findings we identified are described in the accompanying schedule of findings. We did not audit the District's responses and, accordingly, we express no opinion on them.

### **Federal Awards Receipts and Expenditures Schedule**

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of London City School District, Madison County, Ohio, as of and for the year ended June 30, 2010, and have issued our report thereon dated December 17, 2010. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



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

*Kennedy Cottrell Richards LLC*

Kennedy Cottrell Richards LLC  
December 17, 2010

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

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES**

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

<b>FEDERAL GRANTOR</b>		Federal				
<b>Pass Through Grantor</b>	Grant	CFDA		Non-Cash		Non-Cash
Program Title	Year(s)	Number	Receipts	Receipts	Disbursements	Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<b>Passed Through Ohio Department of Education</b>						
Nutrition Cluster:						
School Breakfast Program	2009/2010	10.553	\$ 60,566	\$ -	\$ 60,566	\$ -
National School Lunch Program	2009/2010	10.555	277,925	44,498	277,925	44,498
Total Nutrition Cluster			338,491	44,498	338,491	44,498
<b>Total U.S. Department of Agriculture</b>			338,491	44,498	338,491	44,498
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<b>Passed Through Ohio Department of Education</b>						
Adult Education Basic Grants to State	2009/2010	84.002	77,603	-	61,134	-
Title I Cluster						
Title I Grants to Local Educational Agencies	2009/2010	84.010	687,906	-	508,154	-
ARRA - Title I Grants to Local Educational Agencies	2010	84.389	137,329	-	119,248	-
Total Title I Cluster			825,232	-	627,402	-
Special Education Cluster						
Special Education Grants to States	2009/2010	84.027	370,132	-	295,354	-
Special Education Preschool Grants	2009/2010	84.173	10,844	-	4,658	-
ARRA - Special Education Grants to States	2010	84.391	309,035	-	240,710	-
Total Special Education Cluster			690,011	-	540,722	-
Safe & Drug Free School Communities State Program	2009/2010	84.186	11,709	-	6,036	-
State Grants for Innovative Programs	2009	84.298	-	-	(5,440)	-
Education Technology State Grants	2009/2010	84.318	1,729	-	5,791	-
Improving Teacher Quality State Grants	2009/2010	84.367	137,597	-	105,585	-
ARRA- Education for Homeless Children and Youth	2010	84.387	3,280	-	4,259	-
ARRA - State Fiscal Stabilization Fund – Education State Grants	2010	84.394	494,473	-	494,473	-
<b>Total U.S. Department of Education</b>			2,241,634	-	1,839,962	-
<b>Total</b>			\$ 2,580,125	\$ 44,498	\$ 2,178,453	\$ 44,498

The accompanying notes are an integral part of this schedule.

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

**NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS**

**JUNE 30, 2010**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - MATCHING REQUIREMENTS**

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

**NOTE C - CHILD NUTRITION CLUSTER**

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

**NOTE D – FOOD DONATION PROGRAM**

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

**NOTE E – TRANSFERS**

The District generally must spend Federal assistance within 15 months of receipt (funds must be obligated by June 30<sup>th</sup> and spent by September 30<sup>th</sup>). However, with ODE's approval, a District can transfer unspent Federal assistance to the succeeding year, thus allowing the School District a total of 27 months to spend the assistance. During fiscal year 2010, the Ohio Department of Education (ODE) authorized the follow transfers:

<u>CFDA</u> <u>Number</u>	<u>Program Title</u>	<u>Grant</u> <u>Year</u>	<u>Transfers</u> <u>Out</u>	<u>Transfers</u> <u>In</u>
84.137	Special Education – Preschool Grants	2009	\$3,597	
84.137	Special Education - Preschool Grants	2010		\$3,597

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

**SCHEDULE OF FINDINGS**

**JUNE 30, 2010**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
--

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material internal control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	Yes
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Qualified
(d)(1)(vi)	Are there any reportable findings under § .510(a) of Circular A-133?	Yes
(d)(1)(vii)	Major Programs (list):	Title I Cluster CFDA: 84.010, 84.389  Special Education Cluster CFDA: 84.027, 84.173, 84.391  ARRA - State Fiscal Stabilization Fund – Education State Grants CFDA: 84.394
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All others
(d)(1)(ix)	Low Risk Auditee?	No

LONDON CITY SCHOOL DISTRICT  
MADISON COUNTY, OHIO

SCHEDULE OF FINDINGS

JUNE 30, 2010

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

**2010-01 Significant Deficiency – Financial Reporting**

The presentation of materially correct financial statements and the related footnotes is the responsibility of management of the District. Independent auditors are not part of an entity's internal control structure and should not be relied upon by management to detect misstatements in the financial statements.

Thus, it is important that management develop control procedures related to drafting financial statements and footnotes that enable management to prevent and detect potential misstatements in the financial statements and footnotes prior to audit.

Our audit identified misstatements in the District's financial statements that, although not material, were necessary to present the financial statements in conformity with accounting principles generally accepted in the United States of America.

We provided to the Treasurer adjusting entries which were posted and subsequently corrected the misstatements. The misstatements are an indicator the District needs to improve or strengthen their existing control procedures related to financial reporting.

We recommend the District consider modifying the existing control procedures over the financial reporting process to include an independent review of the financial statements and the related journal entries. The review should be conducted by an individual that is knowledgeable of generally accepted accounting principles and the review should take place prior to the start of the audit.

Officials Response and Corrective Actions

The School District has modified the procedures to limit misstatements in the future.

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

**SCHEDULE OF FINDINGS**

**JUNE 30, 2010**

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
---------------------------------------

<b>CFDA Title and Number</b>	ARRA - State Fiscal Stabilization Fund – Education State Grants – CFDA: 84.394  <u>Special Education Cluster</u> ARRA - Grants to States (Idea, Part B) – CFDA 84.391
<b>Grant Year</b>	2009/2010
<b>Federal Agency</b>	U.S. Department of Education
<b>Pass-Through Agency</b>	Ohio Department of Education
<b>Finding Number</b>	2010-02

**2010-02 Material Weakness/Noncompliance: Reporting**

American Recovery and Reinvestment Act of 2009 (ARRA), Section 1512 (b) & (c) requires any entity that receives certain Recovery funds directly from the Federal government (including recovery funds received through grant, loan or contract other than an individual) to submit a report to the Federal Agency not later than 10 days after the end of each calendar quarter in which the Federal Recovery funds were received. Section 1512(c) (3) (D) requires an estimate of the number of jobs created and the number of jobs retained. Section 1512(c)(4) requires detailed information on any subcontracts or subgrants awarded by the recipient to include the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282), allowing aggregate reporting on awards below \$25,000 or to individuals. Further, Office of Management and Budget Memo M-09-21 dated June 22, 2009 states that prime recipients may choose to delegate certain reporting requirements to subrecipients. This memo also states several additional data elements associated with any reporting on job creation estimates by recipients and any vendors receiving funds from the prime recipient for any payments greater than \$25,000 must be reported.

The Ohio Department of Education’s American Recovery and Reinvestment Act Reporting Guidance states the Ohio Department of Education (ODE), as a prime recipient of ARRA funding, is required to report quarterly to the federal government data on ARRA programs. ODE distributes ARRA funds to local education agencies (LEAs) as subrecipients and must collect quarterly data from LEAs to meet the reporting requirements associated with ARRA funding. Among the items to be reported, the number of jobs created or retained with ARRA funds in full time equivalencies (FTE) and the vendor name and zip code are required for each vendor that received a single payment, from a single ARRA grant, in excess of \$25,000. If the vendor received multiple payments of less than \$25,000, even when the total of the payments exceeds \$25,000, the vendor information should *not* be reported.

LONDON CITY SCHOOL DISTRICT  
MADISON COUNTY, OHIO

SCHEDULE OF FINDINGS

JUNE 30, 2010

**2010-02 Material Weakness/Noncompliance: Reporting (continued)**

The FTE's reported on the District's quarterly 1512 reports for the Special Education and State Fiscal Stabilization Fund ARRA grants do not agree and were not properly supported by underlying records. Additionally, the District incorrectly reported LCSD Medical on the quarterly 1512 reports as a vendor that received a single payment from the Special Education ARRA grant in excess of \$25,000. LCSD Medical did not receive any single payment in excess of \$25,000 from the Special Education ARRA grant. The District failed to report CDW Government, Inc. and United Health Care on the quarterly 1512 reports as a vendor that received a single payment from the Special Education ARRA grant and SFSF grant respectively, in excess of \$25,000

We recommend that the District implement control procedures to ensure accurate reporting and to ensure the proper support documentation is maintained to support the information included in these reports.

Officials Response and Corrective Actions

The School District has implemented controls to ensure compliance with these requirements.

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

**SCHEDULE OF FINDINGS**

**JUNE 30, 2010**

<b>CFDA Title and Number</b>	<u>Title 1 Cluster</u> Grants to Local Educational Agencies – CFDA 84.010
<b>Grant Year</b>	2010
<b>Federal Agency</b>	U.S. Department of Education
<b>Pass-Through Agency</b>	Ohio Department of Education
<b>Finding Number</b>	2010-03

**2010-03 Material Weakness/Noncompliance: Matching, Level of Effort, Earmarking**

Schools in school improvement under Section 116(b)(5), corrective action under Section 116(b)(97), or restructuring under Section 116(b)(8) are required to provide choice-related transportation under Section 116(b)(9) and supplemental education services under Section 116(e). Title I, Section 116(b)(10)(A) of ESEA (20 USC 6316(b)(10)(A) states “an LEA that is obligated to provide choice-related transportation or supplemental educational services must spend an amount equal to at least 20 percent of its allocation under subpart 2 of Part A (“20 percent obligation”) to provide such transportation and supplemental educational services, unless a lesser amount is needed to satisfy all requests. Of this amount, the LEA must spend a minimum of an amount equal to 5 percent on choice-related transportation, and a minimum of an amount equal to 5 percent for supplemental educational services.”

In accordance with the above, the District was required to earmark the following dollar amounts for its 2010 Title 1 grants:

CFDA 84.010 – \$79,323 for supplemental education services  
\$10,000 for public choice transportation

CFDA 84.389 – \$42,382 for supplemental education services  
\$1,000 for public choice transportation

The district expended only \$2,920 (or 3.6%) of their 84.010 supplemental education services earmarking allocation and \$0 of its remaining earmarking allocations.

We recommend the District implement controls to ensure that they are spending the required earmarking amounts and that they track these expenses separately to ensure that they are in compliance with these requirements.

Officials Response and Corrective Actions

The School District has implemented controls to ensure compliance with these requirements.



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

**SCHEDULE OF FINDINGS**

**JUNE 30, 2010**

<b>CFDA Title and Number</b>	<u>Title 1 Cluster</u> Grants to Local Education Agencies – CFDA 84.010 ARRA - Grants to Local Education Agencies – CFDA 84.389  <u>Special Education Cluster</u> Grants to States (Idea, Part B) – CFDA 84.027 Preschool Grants – CFDA 84.173 ARRA - Grants to States (Idea, Part B) – CFDA 84.391
<b>Grant Year</b>	2009/2010
<b>Federal Agency</b>	U.S. Department of Education
<b>Pass-Through Agency</b>	Ohio Department of Education
<b>Finding Number</b>	2010-04

**2010-04 Significant Deficiency/Noncompliance: Allowable Costs/Cost Principles**

2 C.F.R. 225, Attachment B, Section 8(h) states in part...Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certificates will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

One of the four employees we tested with payroll costs charged to the Special Education Cluster grants and one of the seven employees we tested with payroll costs charged to the Title I Cluster grants were not supported by periodic certifications.

Through other procedures we were able to obtain sufficient evidence to determine that each of the employee's pay was an allowable cost for those grants. Therefore, these costs will not be questioned.

Total payroll and related benefits charged to the Special Education Cluster and the Title I Cluster during fiscal year 2010 were \$843,100 and \$659,760, respectively.

We recommend the District implement control procedures to ensure that these payroll costs are being supported by the various documents described in 2 C.F.R. 225, Attachment B, Section 8(h).

Officials Response and Corrective Actions

The School District has implemented controls to ensure compliance with these requirements.

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

**SCHEDULE OF FINDINGS**

**JUNE 30, 2010**

<b>CFDA Title and Number</b>	<u>Title 1 Cluster</u> Grants to Local Education Agencies – CFDA 84.010 ARRA - Grants to Local Education Agencies – CFDA 84.389  <u>Special Education Cluster</u> Grants to States (Idea, Part B) – CFDA 84.027 ARRA - Grants to States (Idea, Part B) – CFDA 84.391
<b>Grant Year</b>	2009/2010
<b>Federal Agency</b>	U.S. Department of Education
<b>Pass-Through Agency</b>	Ohio Department of Education
<b>Finding Number</b>	2010-05

**2010-05 Significant Deficiency/Noncompliance: Cash Management**

34 CFR 80.21 (b) states, in part: “Methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantee or subgrantee.”

To ensure compliance with this section, The Ohio Department of Education (ODE) includes assurances within each Project Cash Request. Consolidated Application Project Cash Request Assurances one and five provide that the funds requested by the District need to be disbursed in the month for which funds were requested.

Two out of the five cash draws we tested for the Special Education Cluster and three of the five cash draws we tested for the Title I Cluster were not spent in the month indicated on the Project Cash Request. We noted these cash draws were deposited into a non-interest bearing bank account; therefore, no interest was earned on the excess balances.

We recommend the District implement control procedures to ensure project cash requests are limited to only those amounts that are to be disbursed in the month indicated on the Project Cash Request Form.

Officials Response and Corrective Actions

The School District has implemented controls to ensure compliance with these requirements.

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

**SCHEDULE OF PRIOR AUDIT FINDINGS**

**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>
2009-1	Noncompliance: Amended Certificates of Estimated Resources	Yes	
2009-2	Noncompliance: Expenditures Limited By Appropriations	Yes	
2009-3	Noncompliance: Negative Fund Balances	Yes	
2009-4	Noncompliance: Appropriation Limited By Estimated Resources	Yes	
2009-5	Material Weakness/ Noncompliance: Period of Availability (Title I)	Yes	

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# Dave Yost • Auditor of State

LONDON CITY SCHOOL DISTRICT

MADISON COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
MARCH 17, 2011