

PRELIMINARY OFFERING CIRCULAR DATED OCTOBER 8, 2026

New Issue – Book Entry Only

Ratings: Moody's (Underlying): "A3"
S&P Global Ratings (BAM Insured): AA
See "RATINGS" herein.

*In the opinion of FBT Gibbons LLP, Bond Counsel, under existing law (a) assuming renewal of the Lease through the final Renewal Period and continuing compliance with certain covenants and the accuracy of certain representations, interest on Series 2026 Certificates paid from the interest portion of the Base Rent (the "Interest Portion") is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such Interest Portion may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations, and (b) the Interest Portion, and any profit made on the sale, exchange or other disposition of the Series 2026 Certificates, [are exempt are exempt from Ohio personal income tax, the Ohio commercial activity tax, the net income base of the Ohio corporate franchise tax, and municipal, school district, and joint economic development district income taxes]. The Interest Portion may be subject to certain federal taxes imposed on certain corporations. (For a more complete discussion of tax aspects, including the consequences of nonrenewal of the Lease, see **TAX MATTERS**).*

CERTIFICATES OF PARTICIPATION



\$31,000,000¹

(Dayton City School District, Montgomery County, Ohio School Facilities Project), Series 2026
*Evidencing Proportionate Interests in Base Rent to be Paid by the
Dayton City School District, Montgomery County, Ohio*

Dated: Date of Delivery

Due: December 1, as shown on the inside cover

The Series 2026 Certificates. The Series 2026 Certificates and any other Certificates issued under the Trust Indenture, as described below, evidence proportionate interests in payments (such payments referred to herein as "Base Rent") to be paid by the Board of Education (the "Board of Education") of the Dayton City School District, Ohio (the "School District" or the "District") pursuant to a Lease-Purchase Agreement (the "Lease"), between FBT Leasing Corporation (the "Corporation"), as lessor, and the School District, as lessee, to be delivered pursuant to a Trust Indenture (the "Indenture") between the Corporation and U.S. Bank Trust Company, National Association, as Trustee (the "Trustee"). The Corporation will assign to the Trustee, without recourse, all of its rights under the Lease and a Ground Lease, to the Trustee pursuant to the Indenture and Assignment of Leases, all dated as of the Closing Date.

Subject to Appropriation. The initial term of the Lease ends on June 30, 2027. The School District may renew the Lease for successive one-year terms, each ending on June 30, except the final Lease Term, which ends on December 1, 2046. The Ground Lease term ends five years after the final Lease Term. **The School District's obligation to pay Base Rent and any other amounts payable by the School District under the Lease or with respect to debt charges on Certificates (collectively, the "Lease Payments") after the initial Lease term are subject to and dependent upon annual renewal of the Lease by the School District and annual appropriations being made by the School District to pay Base Rent. In the event no such appropriation is made, the Lease will terminate, and the School District will be required to vacate and return possession of the Project Site and Project Facilities to the Trustee for the remainder of the term of the Ground Lease. The School District's obligation to pay Base Rent does not constitute a debt of the School District within the meaning of any constitutional or statutory limitation. Certificate Payments will be made solely from amounts derived under the Lease, including payments of Base Rent, and, following any such termination, from amounts realized by the Trustee from the re-letting of the Project Site and Project Facilities during the remaining term of the Ground Lease. See "CERTIFICATE HOLDERS' RISKS" herein.**

Book-Entry Only. The Series 2026 Certificates will be initially issued only as fully registered securities, one for each maturity, issuable under a book entry system, registered initially in the name of The Depository Trust Company or its nominee (DTC). There will be no distribution of Series 2026 Certificates to the ultimate purchasers. The Series 2026 Certificates in certificated form as such will not be transferable or exchangeable, except for transfer to another nominee of DTC or as otherwise described in this Offering Circular. See **Appendix E**

Payment. Principal will be payable to the registered owner (DTC) upon presentation and surrender at the principal corporate trust office of the Trustee, and interest will be transmitted by the Trustee on each interest payment date (June 1 and December 1 of each year, commencing June 1, 2027) to the registered owner (DTC) as of the 15th day of the calendar month preceding that interest payment date.

Bond Insurance. Concurrently with the issuance of the Series 2026 Certificates, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Series 2026 Certificates (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Series 2026 Certificates when due as set forth in the form of the Policy included as an exhibit to this Official Statement. The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law. See "**SECURITY FOR THE CERTIFICATES – Bond Insurance Policy**" and "**Appendix G**."



Prior Redemption¹. The Series 2026 Certificates maturing on and after December 1, 20__ are subject to optional prior redemption beginning June 1, 20__, as described in this Preliminary Offering Circular. See **Certain Terms of Series 2026 Certificates – Prior Redemption**

The Series 2026 Certificates are offered when, as and if signed and delivered, and accepted by the Underwriter, subject to the legal opinion of FBT Gibbons LLP, Bond Counsel, which also serves as General Counsel to the School District. Certain legal matters will be passed upon for Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter") by its counsel, Dinsmore & Shohl LLP. It is expected that the Series 2026 Certificates will be available for delivery to DTC in New York, New York on or about _____, 2026. Bradley Payne, LLC (dba Bradley Payne Advisors), has acted as municipal advisor to the School District in connection with the Series 2026 Certificates.

STIFEL

This Preliminary Offering Circular has been prepared by the School District in connection with the original offering for sale of the Series 2026 Certificates. This cover page includes certain information for quick reference only. *It is not a summary of the Series 2026 Certificate issue.* Investors should read the entire Preliminary Offering Circular to obtain information as a basis for making informed investment judgments.

The date of this Preliminary Offering Circular is October 8, 2026, and the information speaks only as of that date.

¹ Preliminary, subject to Change

PRINCIPAL MATURITY SCHEDULE¹

\$31,000,000¹

CERTIFICATES OF PARTICIPATION

(Dayton City School District, Montgomery County, Ohio School Facilities Project), Series 2026
*Evidencing Proportionate Interests in Base Rent to be Paid by the
Dayton City School District, Montgomery County, Ohio*

<u>Period Ending</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP[^]</u>
12/01/2027				
12/01/2028				
12/01/2029				
12/01/2030				
12/01/2031				
12/01/2032				
12/01/2033				
12/01/2034				
12/01/2035				
12/01/2036				
12/01/2037				
12/01/2038				
12/01/2039				
12/01/2040				
12/01/2041				
12/01/2042				
12/01/2043				
12/01/2044				
12/01/2045				
12/01/2046				

¹ Preliminary, subject to change

[^] Copyright 2026, CUSIP Global Services (see “**Regarding This Offering Circular**”)

\$31,000,000¹

CERTIFICATES OF PARTICIPATION

(Dayton City School District, Montgomery County, Ohio School Facilities Project), Series 2026
*Evidencing Proportionate Interests in Base Rent to be Paid by the
Dayton City School District, Montgomery County, Ohio*

BOARD OF EDUCATION

William Bailey, Ph.D.
President

Joseph Lacey
Vice President

Eric Walker
Member

Chrisondra Goodwine, J.D.
Member

William Smith
Member

Jocelyn Spencer Rhynard
Member

Jamica Garrison
Member

DISTRICT ADMINISTRATION

David Lawrence, Ph.D.
Superintendent

Hiwot Abraha
Treasurer/CFO

PROFESSIONAL SERVICES

Stifel, Nicolaus & Company, Incorporated
Underwriter

FBT Gibbons LLP
Bond Counsel

Dinsmore & Shohl LLP
Underwriter's Counsel

Bradley Payne, LLC (dba Bradley Payne Advisors)
Municipal Advisor

U.S. Bank Trust Company, National Association
Paying Agent & Trustee

¹ Preliminary, subject to change.

REGARDING THIS PRELIMINARY OFFERING CIRCULAR

This Preliminary Offering Circular does not constitute an offering of any security other than the original offering identified on the Cover (as defined herein). No dealer, broker, salesperson or other person has been authorized by the Board of Education of the School District to give any information or to make any representation other than as contained in this Preliminary Offering Circular, and if given or made, such other information or representation must not be relied upon as having been given or authorized by the School District. This Preliminary Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Series 2026 Certificates by any person, in any jurisdiction in which it is unlawful to make that offer, solicitation or sale.

The information in this Offering Circular is provided by the School District in connection with the original offering of the Series 2026 Certificates. Reliance should not be placed on any other information publicly provided, in any format including electronic, by the School District for other purposes, including general information provided to the public or to portions of the public. The information in this Preliminary Offering Circular is subject to change without notice. Information located at websites referred to herein has been prepared by the respective entities responsible for maintaining such websites. The School District takes no responsibility for the continued accuracy of any internet address or the accuracy, completeness, or timeliness of any information posted at any such address. Neither the delivery of this Preliminary Offering Circular nor any sale made under it shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the School District since its date.

UPON ISSUANCE, THE SERIES 2026 CERTIFICATES WILL NOT BE REGISTERED BY THE SCHOOL DISTRICT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY WILL HAVE AT THE REQUEST OF THE SCHOOL DISTRICT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PRELIMINARY OFFERING CIRCULAR OR APPROVED THE SERIES 2026 CERTIFICATES FOR SALE.

This Preliminary Offering Circular contains statements that the School District believes may be “forward-looking statements.” Words such as “plan,” “estimate,” “project,” “budget,” “anticipate,” “expect,” “intend,” “believe” and similar terms are intended to identify forward-looking statements. The achievement of results or other expectations expressed or implied by such forward-looking statements involves known and unknown risks, uncertainties and other factors that are difficult to predict, may be beyond the School District's control and could cause actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. The School District undertakes no obligation, and does not plan, to issue any updates or revisions to such forward-looking statements.

Insofar as the statements contained in this Preliminary Offering Circular involve matters of opinion or estimates, even if not expressly stated as such, such statements are made as such and not as representations of fact or certainty, no representation is made that any of such statements have been or will be realized, and such statements should be regarded as suggesting independent investigation or consultation of other sources prior to the making of investment decisions. Certain information may not be current; however, attempts were made to date and document sources of information. Neither this Preliminary Offering Circular nor any oral or written representations by or on behalf of the Board of Education preliminary to sale of the Series 2026 Certificates should be regarded as part of the Board of Education's contract with the Underwriter or the Holders from time to time of the Series 2026 Certificates.

CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services (“CGS”) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. CUSIP data herein are provided by CUSIP Global Services. CUSIP numbers have been assigned by an independent company not affiliated with the School District and are included solely for the convenience of the holders of the Series 2026 Certificates. The School District, Bond Counsel and the Underwriter are not responsible for the selection or use of these CUSIP numbers and make no representation as to their correctness on the Series 2026 Certificates or the Cover or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2026 Certificates as a result of various subsequent actions and events.

The Ohio Municipal Advisory Council (“OMAC”) has requested that this paragraph be included in this Preliminary Offering Circular. Certain information contained in the Preliminary Offering Circular is attributed to OMAC. OMAC compiles information from official and other sources. OMAC believes the information it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guaranty its accuracy. OMAC has not reviewed this Preliminary Offering Circular to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

Build America Mutual Assurance Company (“BAM”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “Bond Insurance” and “Appendix H - Specimen Municipal Bond Insurance Policy”.

The Underwriter may offer and sell the Series 2026 Certificates to certain dealers and dealer banks and banks acting as agent at prices lower than the public offering price stated on the Cover, which public offering price may be changed from time to time by the Underwriter.

The Underwriter has provided the following sentence for inclusion in this Preliminary Offering Circular. The Underwriter has reviewed the information in this Preliminary Offering Circular in accordance with, and as part of its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guaranty the accuracy or completeness of such information.

INVESTMENT CONSIDERATIONS

The Series 2026 Certificates, like other obligations of state and local governments, are subject to changes in value due to changes in the condition of the market for tax-exempt obligations or changes in the financial position of the School District.

It is possible under certain market conditions, or if the financial condition of the School District should change, that the market price of the Series 2026 Certificates could be adversely affected. With regard to the risk involved in a downward revision or withdrawal of the rating on the Series 2026 Certificates shown on the Cover, see “RATINGS.”

With regard to the risk involved in a loss of the exclusion from gross income for purposes of federal income taxation of interest payable on the Series 2026 Certificates, see “TAX MATTERS.”

Prospective purchasers of the Series 2026 Certificates should consult their own tax advisors prior to any purchase of the Series 2026 Certificates as to the impact of the Internal Revenue Code of 1986, as amended (the “Code”), upon their acquisition, holding or disposition of the Series 2026 Certificates.

Market for the Certificates

Subject to prevailing market conditions, the Underwriter intends, but is not obligated, to make a market in the Certificates. There is no assurance that a secondary market for the Certificates will develop or, if developed, will not be disrupted by events. Consequently, investors may not be able to resell the Certificates purchased should they need or wish to do so for emergency or other purposes

Investment Suitability of Tax-Exempt Obligations

A primary test of the suitability of a tax-exempt obligation for an individual investor is a comparison of the yield the investor would have to earn on a taxable obligation to equal a tax-exempt yield in his or her income tax bracket. Individuals should consult with brokers or qualified financial or tax advisors to determine the taxable equivalent yield they could expect given their particular tax circumstances.

Prepayments of Principal

The Series 2026 Certificates allow the Trustee, under the direction of the School District, to prepay certain maturities of the principal of the Series 2026 Certificates without penalty. (See “CERTAIN TERMS OF THE CERTIFICATES – Redemption Provisions – Optional Redemption.”) If such Series 2026 Certificates were to be prepaid before scheduled maturity, the investor would not receive the anticipated yield through the scheduled maturity date. In such a prepayment situation there is no guarantee that the investor could reinvest the proceeds and receive a comparable yield for the period remaining until the scheduled maturity of such Series 2026 Certificates. The investor, therefore, may receive a lower total return for the period beginning on the date of purchase through the scheduled date of maturity than anticipated.

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INTRODUCTORY STATEMENT

This Preliminary Offering Circular has been prepared in connection with the original issuance and individual sale of the Certificates of Participation identified on the Cover (as defined herein).

The Series 2026 Certificates evidence proportionate interests of registered owners (the “Holders”) thereof, in certain lease rental payments (the “Base Rent”) to be paid by the Dayton City School District (the “School District” or the “District”), acting through its Board of Education (the “Board of Education”), for the lease of certain real and personal property comprising school facilities as hereinafter described (the “Project Facilities”) pursuant to a Lease-Purchase Agreement (the “Lease”), dated as of the original issuance of the Series 2026 Certificates (the “Closing Date”), between the School District, as Lessee, and FBT Leasing Corporation (the “Corporation”), an Ohio nonprofit corporation, as Lessor (see “**DESCRIPTION OF DOCUMENTS**”). The Corporation’s rights under the Lease and the Ground Lease (as hereafter defined) will be assigned without recourse to U.S. Bank Trust Company, National Association, as Trustee (the “Trustee”) under the Indenture dated as of the Closing Date (the “Indenture”), between the Corporation and the Trustee, and an Assignment of Leases, dated as of the Closing Date (the “Assignment”), from the Corporation to the Trustee.

The Series 2026 Certificates are being delivered pursuant to the Indenture, which creates an irrevocable trust for the benefit of the Holders of the Series 2026 Certificates. The proceeds received from the sale of the Series 2026 Certificates will be used for the purposes described herein under the heading entitled “**THE PROJECT.**” The land and existing improvements included in the Project Site, as defined herein, are owned by the School District.

To secure the payment of the Base Rent and to induce BAM to issue its municipal bond insurance policy for the Series 2026 Certificates, the School District will lease the real property constituting the Project Site to the Corporation pursuant to a Ground Lease, dated as of the Closing Date (the “Ground Lease”), and the Corporation will sublease the Project Site, together with the Project Facilities, back to the School District pursuant to the Lease. The Corporation will assign all of its right, title and interest in the Ground Lease, the Lease and the Project Site and Project Facilities to the Trustee pursuant to the Assignment and the Indenture. If the School District does not renew the Lease or fails to appropriate money sufficient to pay Base Rent, the School District will be required to surrender possession of the Project Site and Project Facilities to the Trustee, as assignee of the Corporation, for the remainder of the term of the Ground Lease, and the Trustee may re-let the Project Site and Project Facilities and apply the proceeds to the payment of the Series 2026 Certificates. Title to and the right of possession of the Project Site and Project Facilities will revert to the School District at the end of the term of the Ground Lease.

The School District is required by the Lease to make payments of Base Rent from appropriated funds during the initial term of the Lease and any renewal thereof (the initial term of the Lease and such renewal period during which the Lease is in force are hereinafter referred to, individually and not collectively, as the “Lease Term”). The initial Lease Term commences as of the Commencement Date (as defined in the Lease) and expires on June 30, 2027. Each renewal of the Lease will be for a renewal Lease Term (“Renewal Period”) beginning July 1 and ending June 30 of the subsequent year, except that the final Renewal Period will end on December 1, 2046. The Ground Lease term ends five years after the final Lease Term.

The renewal of the Lease, the School District’s obligation to pay Base Rent Payments and any other obligation of the School District under the Lease after expiration of the current Lease Term are subject to and dependent upon annual renewal of the Lease and annual appropriations by the School District sufficient to pay Base Rent. Under the Lease, the School District’s Treasurer is required to request sufficient appropriated money to pay Base Rent and include such amounts in the annual budget. If the School District does not make an appropriation of money sufficient to pay Base Rent in any succeeding Lease Term, the Lease will terminate as of the end of the current Lease Term and the Trustee,

as assignee of the Corporation, will be entitled to exercise any right, remedy or privilege which may be available to it under the applicable laws of the State or any other applicable law or proceed by appropriate court action to enforce the terms of the Lease or to recover damages for the breach of the Lease, provided that a court of competent jurisdiction has finally adjudicated that an Event of Default under the Lease has occurred.

The District is not a party to either the Series 2026 Certificates or to the Indenture (although the District acknowledges the terms of the Indenture).

IF THE SCHOOL DISTRICT DOES NOT MAKE AN APPROPRIATION OF MONEY SUFFICIENT TO PAY BASE RENT IN ANY SUCCEEDING LEASE TERM, THE LEASE WILL TERMINATE AS OF THE END OF THE THEN CURRENT LEASE TERM AND THE SCHOOL DISTRICT WILL BE REQUIRED TO VACATE AND RETURN POSSESSION OF THE PROJECT SITE AND PROJECT FACILITIES TO THE TRUSTEE FOR THE REMAINDER OF THE TERM OF THE GROUND LEASE. SEE “SECURITY FOR THE CERTIFICATES.”

Certain proceeds of the Series 2026 Certificates will be used to pay costs of the Other Facilities (as defined herein). The Other Facilities are not located on the Project Site and are not part of the Project Facilities. If the School District does not make an appropriation of money sufficient to pay Base Rent in any succeeding Lease Term and the Lease terminates as of the end of the then current Lease Term, the School District will not be required to vacate the sites on which the Other Facilities are located and will not be required to return possession of the Other Facilities to the Trustee for the remainder of the term of the Ground Lease.

The Series 2026 Certificates, the Lease and the obligation to make Base Rent payments under the Lease do not represent or constitute bonded indebtedness, a debt of, or a general obligation of, the District, the State of Ohio, or any other political subdivision of the State of Ohio. For a further discussion of these and related matters, see “**SOURCE OF PAYMENT FOR THE CERTIFICATES**”.

This Offering Circular should be considered in its entirety and no one subject should be considered less important than another by reason of location in the text. Reference should be made to laws, reports or documents referred to for more complete information regarding their contents. References to provisions of Ohio law, including the Revised Code and the Ohio Constitution, are references to those current provisions. Those provisions may be amended, repealed or supplemented. References to provisions of Ohio law or of the Ohio Constitution are references to those current provisions. Those provisions may be amended, repealed or supplemented.

As used in this Offering Circular:

- “County” means Montgomery County, Ohio.
- “County Auditor” means the Auditor of the County.
- “Cover” means the cover page and the inside cover pages of this Offering Circular.
- “Fiscal Year” means the 12-month period ending June 30, and reference to a particular Fiscal Year (such as “Fiscal Year 2026”) means the Fiscal Year ending on June 30 in that year.
- “Lessor” means the Corporation and its successors or assigns, including specifically the Trustee upon the assignment of the Lessor’s rights under the Lease to the Trustee pursuant to the Assignment and the Indenture.
- “Revised Code” means the Ohio Revised Code.

- “Series 2026 Certificates” or “Certificates” means the Certificates of Participation (Dayton City School District, Montgomery County, Ohio School Facilities Project), Series 2026 (Evidencing Proportionate Interests in Base Rent to be Paid by the Board of Education of the Dayton City School District, Montgomery County, Ohio), identified on the Cover.
- “State” or “Ohio” means the State of Ohio.

Certain other capitalized terms used and not otherwise defined in this Offering Circular have the meanings given to such terms under the heading “**DESCRIPTION OF DOCUMENTS - General; Definitions.**”

Disclosure Information

This Preliminary Offering Circular speaks only as of its date, and the information contained herein is subject to change. This Preliminary Offering Circular and continuing disclosure documents of the Board of Education are intended to be made available through the Electronic Municipal Market Access System (“EMMA”) of the Municipal Securities Rulemaking Board. Copies of the basic documentation relating to the Series 2026 Certificates, including the authorizing resolution and the form of the Series 2026 Certificates, are available from the Board of Education.

Certain information contained in this Preliminary Offering Circular is attributed to the Ohio Municipal Advisory Council (“OMAC”). OMAC compiles information from official sources, as well as other sources of information. OMAC believes the information it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guarantee its accuracy. OMAC has not reviewed this Preliminary Offering Circular to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

The District has deemed this Preliminary Offering Circular to be final for the purposes of, and except for certain omissions allowed by, the Securities and Exchange Commission Rule 15c2-12(b)(1).

THE SERIES 2026 CERTIFICATES

General Provisions; Authorization and Purpose

Each Certificate represents an undivided proportionate interest in the portion of the Base Rent paid by the School District and denominated as principal under the Lease (the “Principal Portion”) due and payable with respect to the maturity date of the Certificate and in the portion of the Base Rent paid by the School District and denominated as interest under the Lease (the “Interest Portion”).

The Series 2026 Certificates will be dated as of the Closing Date, will mature in the amounts and on the dates, will bear interest payable on June 1 and December 1 of each year, commencing June 1, 2027, at the rates and will be payable at the place and in the manner, described in **Appendix E**. The Series 2026 Certificates will be issued in the denominations of \$5,000 or any integral multiple of \$5,000.

The Series 2026 Certificates are to be issued for the purpose of constructing, renovating, remodeling, rehabilitating, furnishing, equipping, and otherwise improving School District facilities (the “Construction Facilities”), all at various locations within the School District, pursuant to a resolution adopted by the Board of Education on May 18, 2026, and a certificate of award provided for by that resolution (collectively, the “Authorizing Legislation”).

CERTAIN TERMS OF THE CERTIFICATES

General; Book-Entry System

Neither the School District, the Board of Education, the State of Ohio, nor any political subdivision thereof, is a party to the Series 2026 Certificates.

The Series 2026 Certificates will be delivered in book-entry-only form and, when issued, registered in the name of The Depository Trust Company (DTC), New York, New York, or its nominee Cede & Co., which will act as securities depository for the Series 2026 Certificates. For discussion of the book-entry system and DTC and the replacement of Series 2026 Certificates in the event that the book-entry system is discontinued, see **Appendix E**.

Redemption Provisions³

The Series 2026 Certificates are subject to redemption as follows.

Optional Redemption

The Series 2026 Certificates maturing on or after December 1, 20__ are subject to prior redemption, by and at the sole option of the School District, in whole or in part as selected by the District (in whole multiples of \$5,000), on any date on or after June 1, 20__, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date.

The Trustee is to cause notice of the call for redemption, identifying the Certificates or portions of Certificates to be redeemed, to be sent at least 30 days prior to the redemption date by first class mail to the registered owners of such Certificates at the addresses of such registered owners as they then appear on the books of registry. Any failure to receive notice by mailing, or any defect in that notice, will not affect the validity of the proceedings for the redemption of any Certificate.

On the date designated for redemption, Certificates or portions of Certificates called for redemption shall become due and payable. If the Trustee then holds sufficient moneys for payment of principal, interest and any premium payable on that redemption date, interest on each Certificate (or portion of a Certificate) so called for redemption will cease to accrue on that date.

So long as all Certificates are held under a book entry system by a securities depository (such as DTC), call notice will be sent by the Trustee only to the depository or its nominee. Selection of book entry interests in the Certificates called, and notice of the call to the owners of those interests called, is the responsibility of the depository and its participants and Indirect Participants. Any failure of the depository to advise any participant, or of any participant or any Indirect Participant to notify the book entry interest owners, of any such notice and its content or effect will not affect the validity of any proceedings for the redemption of any Certificates or portion of Certificates. See **Appendix E**.

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³ Preliminary; subject to change.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the Series 2026 Certificates (exclusive of accrued interest, if any) will be applied as follows:

Sources	
Par value of the Series 2026 Certificates	\$ _____
[Net] original issue premium	_____
Total Sources	\$ _____
Uses	
Deposit to Project Fund	\$ _____
Deposit to Certificate Fund	_____
Deposit to Costs of Issuance Fund ⁴	_____
Underwriter's Discount	_____
Total Uses	\$ _____

SOURCE OF PAYMENT FOR THE CERTIFICATES

The Certificates evidence a proportionate right to, and are payable from, Revenues received under the Indenture, which consist of (a) the Base Rent, (b) all other money received or to be received by the Trustee under the Lease and the Assignment, including without limitation, all income or other money realized from the sale or other disposition of the Project Site and Project Facilities, (c) any money in the Certificate Fund (including the Lease Payment Account), and (d) all income and profit from the investment of the foregoing money; provided, however, that any investment income required under the Code to be rebated to the United States will not be, and will not be deemed to be, Revenues, and the Holders will have no claim or interest in that income. The Lease requires the School District to make Lease Payments including (i) Base Rent payable substantially concurrently with and in amounts equal to the Principal Portions and Interest Portions evidenced by the Certificates and (ii) Additional Rent in amounts sufficient to pay Trustee fees and all other enumerated expenses.

The Lease provides that the School District's obligation to pay the Lease Payments during a Lease Term is absolute and unconditional, subject to and dependent upon annual appropriations by the School District to pay Lease Payments. During each Lease Term, Lease Payments are payable without any right of set off or counterclaim regardless of any contingencies. See **"SECURITY FOR THE CERTIFICATES – Non-appropriation"** and **"CERTIFICATE HOLDERS' RISKS – Risks Associated with Non-appropriation of Base Rent."**

The payments of Base Rent cannot be accelerated under the Lease or the Indenture.

The renewal of the Lease beyond each Lease Term and the School District's obligation to pay Base Rent are subject to and dependent upon annual renewal of the Lease and annual appropriations by the School District sufficient to pay Base Rent. The School District's obligation to pay Base Rent does not constitute a debt of the School District within the meaning of any constitutional or statutory limitation.

⁴ Includes Trustee fees, rating fees, printing and distribution costs, Municipal Advisor fees, legal fees, bond insurance premium, and other miscellaneous expenses.

Payments with respect to the Series 2026 Certificates will be made solely from amounts derived under the terms of the Lease, including the Base Rent, and amounts from time to time on deposit under the terms of the Indenture.

If the Lease is renewed annually for each Lease Term, the Lease requires that Base Rent be paid on the following dates and in the amounts on the immediately following page and the Indenture provides that such amounts be deposited in the Certificate Fund and applied to pay amounts due with respect to the Series 2026 Certificates. If the School District does not make an appropriation of money sufficient to pay Lease Payments in any succeeding Lease Term, the Lease will terminate as of the end of the current Lease Term and the School District will be required to vacate and return possession of the Project Site and Project Facilities to the Trustee for the duration of the Ground Lease, all in accordance with and subject to the provisions of the Lease, the Ground Lease, the Assignment and the Indenture

THE SERIES 2026 CERTIFICATES, THE LEASE AND THE OBLIGATION TO MAKE BASE RENT PAYMENTS DO NOT REPRESENT OR CONSTITUTE BONDED INDEBTEDNESS, A DEBT OF, OR A GENERAL OBLIGATION OF, THE SCHOOL DISTRICT, THE STATE OF OHIO, OR ANY POLITICAL SUBDIVISION THEREOF.

School District Bankruptcy

An Ohio school district may file for bankruptcy under Chapter 9 of the Bankruptcy Code if it meets certain prerequisites under both federal and State law. Section 109(c) of the Bankruptcy Code sets forth the requirements for a State political subdivision to file for bankruptcy protection. In addition to requiring the school district to be insolvent, the school district must be specifically authorized, in its capacity as a school district or by name, to be a debtor under such chapter by State law, or by a governmental officer or organization empowered by State law to authorize such entity to be a debtor under such chapter. With regard to State law, Revised Code Section 133.36 requires that a political subdivision which desires to file bankruptcy seek and obtain permission of the Tax Commissioner. Moreover, Revised Code Section 3313.483(E)(5) provides that a school district may not file for bankruptcy if it owes money to the State.

The foregoing federal and State laws also permit an Ohio county to initiate Chapter 9 proceedings which, because a county collects certain revenues on behalf of a school district (particularly ad valorem property taxes), may adversely affect the financial condition of such school district.

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Aggregate Base Rent Schedule

The Base Rent due on the Series 2026 Certificates is as follows:

<u>Lease Payment Date</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Total</u>	<u>Lease Payment Date</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Total</u>
5/15/27				11/15/27			
5/15/28				11/15/28			
5/15/29				11/15/29			
5/15/30				11/15/30			
5/15/31				11/15/31			
5/15/32				11/15/32			
5/15/33				11/15/33			
5/15/34				11/15/34			
5/15/35				11/15/35			
5/15/36				11/15/36			
5/15/37				11/15/37			
5/15/38				11/15/38			
5/15/39				11/15/39			
5/15/40				11/15/40			
5/15/41				11/15/41			
5/15/42				11/15/42			
5/15/43				11/15/43			
5/15/44				11/15/44			
5/15/45				11/15/45			
5/15/46				11/15/46			

SECURITY FOR THE CERTIFICATES

General

Each Certificate evidences a proportionate interest in Base Rent to be paid by the School District to the Trustee under the Lease. See “**THE SERIES 2026 CERTIFICATES – General Provisions; Authorization and Purpose**” herein.

The Base Rent is expected to be paid from the School District’s General Fund. The renewal of the Lease beyond a Lease Term and the School District’s obligations to pay Base Rent and any other amounts payable by the School District under the Lease are subject to and dependent upon annual appropriations by the School District to pay Base Rent and to pay such other obligations. If the Board of Education does not make an appropriation of money sufficient to pay Base Rent in any succeeding Lease Term, the Lease will terminate subject to reinstatement as herein described, and the Trustee will be entitled to exercise any right, remedy or privilege which may be available to it under the applicable laws of the State or any other applicable law or proceed by appropriate court action to enforce the terms of the Lease or to recover damages for the breach of the Lease, provided that a court of competent jurisdiction has finally adjudicated that an Event of Default under the Lease has occurred.

The money and investments held by the Trustee under the Indenture are irrevocably held in trust for the benefit of the Holders and the School District, as their interests appear, and for the purposes specified in the Indenture. Such money, and any income or interest earned thereon, will be expended only as provided in the Indenture and will not be subject to levy or attachment by lien by or for the benefit of any creditor of the Trustee, the School District or any Certificate Holder.

Under the terms of the Lease, the School District is obligated during each Lease Term to pay on each Lease Payment Date the Base Rent payable on that Lease Payment Date, plus any Additional Rent due on such date. The Base Rent due on each Lease Payment Date equals the amount of the Principal Portion and the Interest Portion evidenced by the Series 2026 Certificates becoming payable on the ensuing payment date. The initial Lease Term will commence as of the Closing Date and will end on June 30, 2027, subject to renewal for subsequent Renewal Period (July 1 to June 30 except the final Renewal Period, which ends December 1, 2046) in accordance with the provisions of the Lease.

Non-appropriation

The Lease provides that the renewal of the Lease and the obligation of the School District to pay Base Rent are subject to annual appropriation by the Board of Education. That obligation is payable exclusively from annually appropriated money, and is not an indebtedness of the School District. If the Board of Education fails to appropriate money to pay Base Rent, then the School District is relieved of any subsequent obligation under the Lease. The School District agrees in the Lease to use its best efforts to budget sufficient appropriated money to pay Base Rent, but the Lease acknowledges that appropriating School District money is a legislative act performed by the Board of Education.

If, prior to the beginning of any Renewal Period, sufficient funds have not been appropriated for the purpose of paying the Base Rent scheduled to be paid during that ensuing Renewal Period in accordance with the Lease (see “**DESCRIPTION OF DOCUMENTS – The Lease**”), the Lease will terminate on such last day of the then current Lease Term; provided, however, that if by November 1 of the next Fiscal Year an appropriation is made that would have caused the Lease to have continued in effect if the appropriation had been made prior to the date of termination, then the Lease will be reinstated and deemed renewed as of the day following the date of such termination.

In the event the Lease is terminated due to non-appropriation without reinstatement, the School District is under no obligation to make any future Lease Payments. Under those circumstances the School

District will be required to vacate and return possession of the Project Site and Project Facilities to the Trustee, as assignee of the Corporation, for the remainder of the term of the Ground Lease, and the Trustee will have all legal and equitable rights and remedies which may be available to it under the applicable laws of the State or any other applicable law, including the right to re-let the Project Site and Project Facilities for the remainder of the term of the Ground Lease and to apply the proceeds thereof to the Certificates, or to proceed by appropriate court action to enforce the terms of the Lease or to recover damages for the breach of the Lease or to rescind the Lease as to the Project Facilities. In addition, the School District is required to transfer any remaining money in the Project Fund to the Trustee for deposit in the Lease Payment Account. See **“CERTIFICATE HOLDERS’ RISKS – Risks Associated with Non-appropriation of Base Rent.”**

Limitations on Remedies

The enforceability of the Lease and the Indenture is subject to bankruptcy laws and other laws affecting creditor’s rights and to the exercise of judicial discretion. Because of the delays inherent in obtaining judicial remedies, it should not be assumed that the remedies available to the Trustee could be accomplished rapidly. Any delays in the ability of the Trustee to obtain possession of the Project Site and Project Facilities could result in delays in the payment of Certificate Payments.

Before taking certain actions under the Certificate Documents, the Trustee may require that a satisfactory indemnity or indemnity bond or other assurance be furnished to it by the Holders for the reimbursement of all expenses that it may incur and to protect it against all liability by reason of any action so taken, except liability that is adjudicated to have resulted from its negligence or willful misconduct.

In addition, upon the occurrence and continuance of an Event of Default, the Trustee may use any amounts available in the Certificate Fund to preserve and protect the Project Site and Project Facilities and the rights of the Certificate Owners and to pay expenses that it may incur in carrying out its responsibilities under the Certificate Documents.

Additional Certificates

So long as the Lease remains in effect, the School District may direct the Trustee to sign and deliver Additional Certificates from time to time to provide funds to (i) pay the costs of refunding outstanding Certificates, (ii) pay the costs of the Construction Facilities not paid with the proceeds of the Series 2026 Certificates or (iii) to pay the costs of making any modifications or improvements to the Construction Facilities as the School District may deem necessary or desirable; provided, however, that if an Event of Default under the Indenture or an event of non-appropriation under the Lease has occurred and is continuing, no Additional Certificates will be signed and delivered by the Trustee.

Defeasance

The Certificates are subject to defeasance and may be paid or provided for with money or specified investment securities provided by the School District in connection with the School District’s exercise of its option to purchase the Project Facilities and Other Facilities (to the extent applicable) prior to the maturity of all Certificates or the refunding of the Certificates. See **“DESCRIPTION OF DOCUMENTS – The Indenture.”**

Bond Insurance Policy

Concurrently with the issuance of the Series 2026 Certificates, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy for the Series 2026 Certificates (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Series 2026 Certificates when due as set forth in the form of the Policy included as **Appendix H** to this Offering Circular. The Policy is not covered by any insurance security or guaranty fund established under New York,

California, Connecticut or Florida insurance law. For information regarding the Bond Insurance, see **“Appendix G – Bond Insurance.”**

CERTIFICATE HOLDERS’ RISKS

This discussion of risk factors is not, is not intended to be, and cannot be exhaustive; see also **“SECURITY FOR THE CERTIFICATES – Non-appropriation,” “Limitations on Remedies”** and **“TAX MATTERS.”** This Preliminary Offering Circular should be considered in its entirety and no one investment consideration should be considered less important than another by reason of location in the text.

Risks Associated with Non-appropriation of Base Rent

As set forth under **“SOURCE OF PAYMENT FOR THE CERTIFICATES,”** the Certificates are payable solely from Base Rent. Under the Lease, the School District’s obligation to make the Base Rent payments during a Lease Term and to renew the Lease Term are subject to and dependent upon annual appropriations by the School District sufficient to pay Base Rent. While the School District’s Treasurer is required under the Lease to include in the annual budget requests to the School District’s Board of Education sufficient money for the School District to make Base Rent payments, there is no assurance that the School District’s Board of Education will approve such budget appropriations. The failure of the School District to make annual appropriation for Base Rent would cause the Lease to terminate as of the end of its current annual Lease Term, requiring the School District to vacate and return possession of the Project Site and Project Facilities to the Trustee for the remainder of the term of the Ground Lease and to transfer any money in the Project Fund to the Trustee for deposit in the Lease Payment Account. **IF THE LEASE WERE TO TERMINATE, THE SOURCES OF PAYMENT FOR THE CERTIFICATES WOULD BE MONEY IN THE CERTIFICATE FUND, TO THE EXTENT AVAILABLE FOR SUCH PAYMENTS UNDER THE INDENTURE, AND ANY MONEY RECEIVED BY THE TRUSTEE FROM THE RE-LETTING OF THE PROJECT SITE AND PROJECT FACILITIES FOR THE REMAINDER OF THE TERM OF THE GROUND LEASE. THERE CAN BE NO ASSURANCE THAT THE TRUSTEE COULD RE-LET THE PROJECT SITE AND PROJECT FACILITIES FOR A RENTAL SUFFICIENT TO PAY THE REMAINING CERTIFICATE PAYMENTS.**

Holders have no right to accelerate the maturities of the Certificates in the event of a nonrenewal of the Lease Term due to non-appropriation of Base Rent by the School District. Certificate holders, therefore, might be left without an adequate remedy in such an event. Moreover, Bond Counsel is expressing no opinion as to the treatment for federal income tax purposes or for State and local income tax purpose of money received by Holders of Certificates following a termination of the Lease as a consequence of an event of non-appropriation. Each Holder should carefully examine the tax implications of such an event. See **“TAX MATTERS.”**

Risks Associated with Construction of the Project

Completion of construction of the Construction Facilities may be impacted by adverse weather conditions, inability to obtain materials, labor shortages, strikes and other similar construction-related problems. Any increased costs relating to these or other items could adversely impact the ability of the School District to complete the Construction Facilities as planned, which could make the Lease Payments burdensome and increase the likelihood of non-appropriation and termination of the Lease.

Risks Associated with Enforceability of Remedies

Enforcement of remedies under the Certificate Documents may be limited or restricted by laws relating to bankruptcy, insolvency, reorganization, moratorium on rights of creditors and by application of general principles of equity. The enforceability of the liens under the Indenture and the Lease may be subject to subordination or priority of claims in certain instances other than bankruptcy proceedings. Examples of

possible limitations on enforceability and a possible subordination of prior claims include (a) statutory liens, (b) rights arising in favor of the United States of America or any agency thereof, (c) present or future prohibitions against assignment, (d) constructive trusts, equitable liens or other rights impressed or conferred by any state or federal court in exercise of its equitable jurisdiction, (e) claims that might arise with respect to certain property if appropriate financing or continuation statements are not filed in accordance with the Ohio Uniform Commercial Code (the “UCC”) from time to time in effect or as a result of the UCC not providing for perfection of a security interest in those elements of Revenues that can be perfected under UCC only by taking possession of such collateral, and (f) federal bankruptcy laws, including, without limitation, those relating to limitations on the payment of future rentals under leases of real property and those affecting payments made after and within 90 days prior to any institution of bankruptcy proceedings by or against the obligor.

Risks Relating to the Bond Insurance

In the event of a default in the payment of principal of or interest on the Series 2026 Certificates when due, any Holder of the Series 2026 Certificates will have a claim under the Bond Insurance Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Bond Insurance Policy does not insure against redemption premium, if any.

Under most circumstances, a default in the payment of principal and interest does not obligate acceleration of the obligations of the Bond Insurer without its consent. The Bond Insurer may direct, and must consent to, any remedies, and the Bond Insurer’s consent may be required in connection with amendments to any applicable transaction documents. In the event the Bond Insurer is unable to make payment of principal of and interest on the Series 2026 Certificates as such payments become due under the Bond Insurance Policy, the Series 2026 Certificates are payable solely from the moneys received pursuant to the documents described herein.

The long-term ratings on the Series 2026 Certificates are dependent in part on the financial strength of the Bond Insurer and its claims-paying ability. The Bond Insurer’s financial strength and claims-paying ability are predicated upon a number of factors that could change over time. No assurance is given that the long-term ratings of the Bond Insurer, or the ratings on the Series 2026 Certificates insured by the Bond Insurer, will not be subject to downgrade, and any such event could adversely affect the market price or marketability of the Series 2026 Certificates. Neither the School District nor the Underwriter has made an independent investigation into the claims-paying ability of the Bond Insurer, and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given.

Cybersecurity

The School District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations and faces multiple cybersecurity threats, including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and other digital networks and systems (collectively, “Systems Technology”). As a recipient and provider of personal, private, or sensitive information, the School District may be the target of cybersecurity incidents that could result in adverse consequences to the School District and its Systems Technology, requiring action to mitigate the consequences. Cybersecurity incidents could result from unintentional events or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the School District’s Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage.

To mitigate the risk of operations impact and/or damage from cybersecurity incidents or cyberattacks, the School District invests in multiple forms of cybersecurity and operational safeguards. While School District cybersecurity and operational safeguards are periodically tested, no assurances can be given by the School District that such measures will ensure against cybersecurity threats and attacks, and any breach could damage the School District's Systems Technology and cause material disruption to the School District's finances or operations. The costs of remedying any such damage or protecting against future attacks could be substantial and may exceed applicable insurance coverages. Furthermore, cybersecurity breaches could expose the School District to material litigation and other legal risks, which could cause the School District to incur material costs. The School District has not had any direct cybersecurity incidents in the last five years.

House Bill 96 of the 136 General Assembly of the Ohio Legislature requires all school districts to adopt a cybersecurity program by July 1, 2026. The cybersecurity program, at a minimum, should include annual cybersecurity training for employees, a cyber incident response plan and practices to assess and remediate cyber risks. In addition, as of September 30, 2025, in the event of a cybersecurity or ransomware incident, a school district must notify the Ohio Homeland Security's Cyber Integration Center within seven days, and the Auditor of State within 30 days, of discovery of the incident. In addition, payment or compliance with ransomware demands is prohibited unless the board of education first adopts a resolution approving the action and stating why payment or compliance is in the school district's best interest.

Federal Funding and Regulatory Risks; Climate and Population Change

Historically, the School District has received significant federal funding to support certain programming and activities, ultimately benefiting School District students. The current Presidential administration has had, and may continue to have, unpredictable impacts on federal acts, legislation, regulations, and executive actions taken by the prior administrations, which affect K-12 education. By executive order, President Trump had previously directed the Secretary of Education to facilitate the closure of the federal Department of Education and has directed the cancellation of certain K-12 federal grant programs, most of which has been subject to various legal actions. The current Presidential administration may rescind previously issued executive orders or issue conflicting executive orders or other changes may occur whether or not by executive or congressional action. The School District cannot predict the extent of future federal funding changes, but any reduction or termination in federal funding may negatively impact the School District's programming and activities that are, or would be, funded with those resources.

There are a number of factors, both known and unknown, that could potentially impact the School District's future financial position directly or impact the School District's economy generally in a manner that affects the School District's financial position. Such factors include but are not limited to population migration away from areas, like the School District, as a result of changes in technology or otherwise and/or the impact of climate change, such as rising temperatures, drought and water availability, and severe weather events, which could have a negative impact on the School District's population and economy as well as the operating expenses of, and availability of resources for, the School District. To date, such factors have not had a material adverse impact on the School District or the ability of the School District to pay debt service on its debt obligations when due; however the future fiscal and operational impacts of any such factor, or a combination of one or more of these factors, on the School District and its finances are difficult to predict.

Ohio Real Property Tax Reform

From time to time, (i) legislative proposals may be introduced in the General Assembly, (ii) ballot initiatives may be proposed by electors and (iii) court proceedings may be filed, which, in each case, if to become law, could alter or amend one or more of the ad valorem property tax matters referred to herein and which may have a materially adverse effect on the market value of the Series 2026 Certificates. See **APPENDIX A - Ad Valorem Tax Revenues — Considerations Regarding Real Property Tax Reform.**

THE PROJECT

The Project is comprised the construction, renovation, rehabilitation, and other related improvements to District school facilities as more particularly described in the Lease and located on the Project Site (the “Project Facilities”) and the construction, renovation, rehabilitation, and other related improvements to other District school facilities (the “Other Facilities” and together with the Project Facilities the “Construction Facilities”).

The Project Facilities include the construction, equipping, furnishing and improving school building facilities and their sites located at 1401 Leo Street, Dayton, Ohio 45404 – Kiser Elementary School, and 1102 Pursell Avenue, Dayton, Ohio 45420 – Cleveland Elementary School, including but not limited to the following:

- a) HVAC, building controls and related improvements at Kiser and Cleveland schools;
- b) Asphalt replacement at Kiser and Cleveland; and
- c) Other facility improvements, as may be required.

The Other Facilities include the construction, equipping, furnishing and improving of school buildings and other facilities owned by the School District other than those located on the Project Site and constituting Project Facilities as described in and subject to the Lease, including but not limited to:

- a) HVAC, building controls and related improvements at Fairview, Westwood, Roosevelt, Meadowdale, Edwin Joel Brown, Horace Mann and Kemp schools;
- b) Roof replacement at Ludlow 1;
- c) Asphalt replacement at multiple school facilities;
- d) Remediation improvements at Ludlow 1; and
- e) Other facility improvements, as may be required.

THE SCHOOL DISTRICT

The School District is a political subdivision of the State, organized and existing under the Constitution and laws of the State. Information about the School District is set forth in “**DAYTON CITY SCHOOL DISTRICT**” below.

Included herein is information relating to the School District’s outstanding general obligation debt represented by bonds and notes as of the Closing Date, together with debt service information, but such information regarding the School District’s general obligation debt does not include the Series 2026 Certificates because they are not general obligation debt of the School District. (See “**APPENDIX A - SCHOOL DISTRICT DEBT, DEBT LIMITATIONS AND OTHER LONG-TERM OBLIGATIONS.**”)

THE CORPORATION

The Corporation is an Ohio nonprofit corporation under the laws of the State of Ohio, organized to, among other purposes, facilitate lease-purchase financings of government buildings in the State. The Corporation will receive no compensation for its services.

The directors of the Corporation have no private or proprietary interest in the Corporation and serve without compensation (except reimbursement of expenses). As a nonprofit corporation, no part of the Corporation's net earnings, income or assets will inure to the benefit of any private entity or person.

The Corporation will enter into the Lease with the School District to facilitate the financing of the Project. The Corporation will assign without recourse all of its rights and interests under the Lease to the Trustee for the benefit of the Holders. The Corporation will not be liable for the payment of Base Rent or Additional Rent, and the Holders will have no right to look to the Corporation for any payments of the Series 2026 Certificates or for any other payments. In addition, the Corporation will have no control over the expenditure of the proceeds of the Series 2026 Certificates.

DESCRIPTION OF DOCUMENTS

General; Definitions

The following descriptions of provisions of the documents are only brief outlines of some of the provisions thereof, and do not purport to summarize or describe all of the provisions thereof. Reference is made to the Lease, the Assignment and the Indenture relating to the Certificates. The following terms are used in the documents and have the meanings given below unless the context clearly requires otherwise.

"Additional Certificates" means any certificates of participation which may be issued pursuant to the Indenture.

"Additional Rent" means payments of Additional Rent as described under **"Description of Documents – The Lease – Rent."**

"Appropriation" means the designation out of the general resources of the School District of a certain amount for a particular purpose in a resolution adopted by the Board of Education.

"Assignment" means the Assignment of Leases dated as of as of _____, 2026 from the Corporation to the Trustee.

"BAM" or "Bond Insurer" means Build America Mutual Assurance Company, a New York domiciled mutual insurance corporation, or any successor thereto.

"Bankruptcy Code" means Title 11 of the United States Code.

"Base Rent" means the payments, including the principal and interest components of those payments, specified in the Lease and set forth herein under **"SOURCE OF PAYMENT FOR THE CERTIFICATES."**

"Board of Education" means the Board of Education of the School District, as it may be constituted from time to time.

"Book entry form" or "book entry system" means, with respect to the Series 2026 Certificates, a form or system, as applicable, under which (a) the ownership of beneficial interests in Certificates and Certificate Payments may be transferred only through a book entry and (b) physical Certificates in fully registered form are registered only in the name of a Depository or its nominee as Holder, with the physical Certificates "immobilized" in the custody of the Depository or its agent. The book entry system is maintained by and is the responsibility of the Depository and not the Trustee. The book entry is the record that identifies, and records the transfer of the interests of, the owners of beneficial (book entry) interests in the Series 2026 Certificates.

“Business Day” means any day other than a Saturday, Sunday or a day on which banking institutions in the State are authorized or required by law to close or a day on which the Trustee is unable to open or be open for reasons not related to financial condition.

“Certificate Documents” means the Ground Lease, the Lease, the Assignment and the Indenture.

“Certificate Fund” means the Certificate Fund established under the Indenture and held by the Trustee.

“Certificate Payments” means, for any period or payable at any time, the principal and premium, if any, and interest with respect to the Certificates for that period or payable at that time whether due at maturity or upon acceleration.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or any successor Internal Revenue laws of the United States enacted by the Congress of the United States in replacement thereof. References to the Code and sections of the Code include relevant applicable regulations, temporary regulations and proposed regulations thereunder and any successor provisions to those sections, regulations, temporary regulations or proposed regulations.

“Construction Facilities” means, collectively, the Project Facilities and the Other Facilities.

“Construction Terms” means the terms and conditions for the acquisition, construction, installation and improvement of the Project, as set forth on Section 8 of the Lease.

“Corporation” means FBT Leasing Corporation, and any successors thereto.

“Costs of Issuance” means the costs related to the issuance and sale of the Certificates.

“Costs of Issuance Fund” means the Costs of Issuance Fund created pursuant to Section 5.3 of the Indenture and described herein.

“Defeasance Obligations” means (1) cash, (2) non-callable direct obligations of the United States of America (“Treasuries”), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, or (4) pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody's, respectively.

“Depository” means The Depository Trust Company (a limited purpose trust company), New York, New York, until any successor Depository shall have become such pursuant to the applicable provisions of the Indenture and, thereafter, “Depository” shall mean the successor Depository. Any Depository shall be a securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of beneficial interests in Certificates or Certificate Payments, and to effect transfer of Certificates, in a book-entry form.

“Eligible Investments” means, to the extent permitted by law:

- (a) cash or money market deposits (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described immediately hereafter, or direct obligations (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America);

- (b) obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including (i) the Export-Import Bank, (ii) the Farm Credit System Financial Assistance Corporation, (iii) the Rural Economic Community Development Administration (formerly the Farmers Home Administration, (iv) the General Services Administration, (v) the United States Maritime Administration, (vi) the Small Business Administration, (vii) the Government National Mortgage Association (GNMA), (viii) the United States Department of Housing and Urban Development (PHAs), (ix) the Federal Housing Administration and (x) the Federal Financing Bank;
- (c) direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America: (i) senior debt obligations rated “Aaa” by Moody’s issued by the Federal National Mortgage Association (FNMA) or the Federal Home Loan Mortgage Corporation (FHLMC), (ii) obligations of the Resolution Funding Corporation (REFCORP), and (iii) senior debt obligations of the Federal Home Loan Bank System;
- (d) United States dollar denominated deposit accounts, federal funds and bankers’ acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of “P-1” by Moody’s and maturing no more than 360 days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank.);
- (e) commercial paper which is rated at the time of purchase in the single highest classification, “P-1” by Moody’s and which matures not more than 270 days after the date of purchase;
- (f) pre-refunded Municipal Obligations, defined as any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and
 - (i) which are rated, based on an irrevocable escrow account or fund (the escrow), in the highest rating category of Moody’s or any successors thereto; or
 - (ii) (A) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in (i) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;
- (g) investments in the State of Ohio Local Agency Investment Pool (S.T.A.R. Ohio) created and maintained pursuant to Section 135.45 of the Revised Code, provided S.T.A.R. Ohio maintains the highest letter or numerical rating provided by at least one nationally recognized rating service. The School District would not be required to divest funds during the initial 180 days following the Treasurer of State’s receipt of notice that S.T.A.R. Ohio is not in compliance with the rating requirements;

- (h) general obligations of states with a rating of at least “A2/A” or higher by Moody’s; and

The value of the above Eligible Investments prior to investment in a Fund shall be determined as follows:

- (a) as to Eligible Investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times), the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;
- (b) as to Eligible Investments (other than as described in (iii) below) the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times, the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers at the time making a market in such investments or the bid price published by a nationally recognized pricing service;
- (c) as to certificates of deposit and banker’s acceptances, the face amount thereof, plus accrued interest; and

Investments or deposits in certificates of deposit or investment contracts shall not be made without complying with Treasury Regulations Section 148-5(d)(6), (ii) and (iii), respectively, or with any successor provisions thereto or other similar applicable provisions. In determining whether the rating assigned by Moody’s to an investment complies with the rating categories provided in this definition, the rating category shall be determined without regard to any numerical or plus or minus modifier, unless otherwise expressly provided in this definition.

“Event of Default” means an Event of Default under the Lease or the Indenture, as applicable.

“Extraordinary Services” and **“Extraordinary Expenses”** mean all services rendered and all reasonable expenses properly incurred by the Trustee, as such and as Registrar and Paying Agent, under the Indenture, other than Ordinary Services and Ordinary Expenses.

“Fiscal Certification” means the certification by the Fiscal Officer of the School District referred to in the definition of “Subject to Appropriations”.

“Fiscal Officer” means the Treasurer of the School District.

“Fiscal Year” means any year ending June 30, or any other consecutive 12-month period which may be established hereafter as the Fiscal Year of the School District for budgeting and appropriation purposes.

“Further Payments” means all reasonable costs, fees and expenses incurred or paid by the Lessor or the Trustee under the Lease or the Indenture.

“Ground Lease” means the Ground Lease, dated as of the Closing Date, between the School District, as ground lessor, and the Corporation, as ground lessee, pursuant to which the School District leases the Project Site to the Corporation, as amended or supplemented from time to time.

“Holder” or **“Holder of a Certificate”** means the Person in whose name a Certificate is registered on the Register.

“Indenture” means the Trust Indenture between the Corporation and the Trustee, dated as of the Closing Date, as the same may be amended or supplemented from time to time in accordance with its terms.

“Independent Counsel” means an attorney or a firm of attorneys admitted to practice law before the highest court of the State.

“Interest Rate for Advances” means that rate per annum which is one percentage point in excess of that interest rate per annum announced by U.S. Bank Trust Company, National Association as its “prime rate” or its “base rate”.

“Lease” means the Lease-Purchase Agreement, dated as of the Closing Date, between the Corporation, as lessor, and the School District, as lessee, as amended or supplemented from time to time.

“Lease Payment Account” means the Lease Payment Account of the Certificate Fund established under the Indenture.

“Lease Payment Date” means the fifteenth (15) day preceding each June 1 and December 1 in each calendar year during a Lease Term, commencing with the fifteenth (15) day preceding June 1, 2027.

“Lease Payments” means, for each Lease Term, the sum of the Base Rent due during such Lease Term plus any Additional Rent for which funds have been appropriated.

“Lease Term” means, individually and not collectively, the initial term of the Lease (as of _____, 2026 through June 30, 2027), each Renewal Period, and any other renewal period during which the terms and conditions of the Lease are in force pursuant to Section 4(b) of the Lease.

“Lessee” means the lessee at the time under the Lease.

“Lessor” means the Corporation and its successors or assigns, including specifically the Trustee upon the assignment of the Lessor’s rights under the Lease to the Trustee pursuant to the Assignment and the Indenture.

“Net Proceeds” means, when used with respect to any insurance proceeds or eminent domain award, the gross proceeds thereof less the payment of all expenses, including attorneys’ fees, incurred in connection with the collection of those gross proceeds.

“Opinion of Counsel” means an opinion in writing signed by legal counsel selected by the School District and who may be an employee of or counsel to the School District.

“Ordinary Services” and **“Ordinary Expenses”** mean those services normally rendered, and those fees, advances, counsel fees and other expenses normally incurred, by a trustee, registrar or paying agent under instruments similar to the Indenture.

“Original Purchaser” means Stifel, Nicolaus & Company, Incorporated, being the purchaser of the Series 2026 Certificates as identified in the Purchase Agreement.

“Other Facilities” means the construction, equipping, furnishing and improving of school buildings and other facilities owned by the School District other than those located on the Project Site and constituting Project Facilities as described in and subject to the Lease. The Other Facilities are further described below:

- a) HVAC, building controls and related improvements at Fairview, Westwood, Roosevelt, Meadowdale, Edwin Joel Brown, Horace Mann and Kemp schools;
- b) Roof replacement at Ludlow 1;

- c) Asphalt replacement at multiple school facilities;
- d) Remediation improvements at Ludlow 1; and
- e) Other facility improvements, as may be required.

“Outstanding Certificates,” “Certificates outstanding,” or “outstanding” as applied to Certificates mean, as of the applicable date, all Certificates which have been executed and delivered, or which are being delivered by the Trustee under the Indenture, except:

- (a) Certificates cancelled upon surrender, exchange or transfer, or cancelled because of payment or redemption on or prior to that date;
- (b) Certificates, or portions thereof, for the payment, redemption or purchase for cancellation of which sufficient money has been deposited and credited with the Trustee on or prior to that date for that purpose (whether upon or prior to the maturity date of those Certificates);
- (c) Certificates, or portions thereof, which are deemed to have been paid and discharged or caused to have been paid and discharged pursuant to the provisions of the Indenture including Certificates paid in accordance with Section 3.8 of the Indenture; and
- (d) Certificates in lieu of which others have been executed and delivered under Section 3.8 of the Indenture;

provided, however, that in determining whether the Holders of the requisite principal amount of Outstanding Certificates have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Certificates owned by the Corporation shall be disregarded and deemed not to be Outstanding, except that in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Certificates which a Responsible Officer of the Trustee actually knows to be so owned shall be disregarded unless all Certificates are owned by the Corporation or any affiliate thereof and/or held by the Trustee for the account of the Corporation, in which case such Certificates shall be considered outstanding for the purpose of such determination.

“Owner” means the Person in whose name a Certificate is registered on the Register.

“Paying Agent” means the Trustee acting in that capacity.

“Payment Date” means June 1 and December 1 of each year during which Certificates are outstanding, commencing June 1, 2027.

“Person,” or words importing “persons,” mean firms, associations, partnerships (including without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, public or governmental bodies, other legal entities and natural persons.

“Predecessor Certificate” of any particular Certificate means every previous Certificate evidencing all or a portion of the same obligation as that evidenced by the particular Certificate. For the purposes of this definition, any Certificate signed and delivered under the Indenture in lieu of a lost, stolen or destroyed Certificate shall, except as otherwise provided in the Indenture, be deemed to evidence the same obligation as the lost, stolen or destroyed Certificate.

“Principal Office” used with respect to the Trustee, means the principal office of the Trustee, located in Cincinnati, Ohio, at which the Trustee conducts its corporate trust business.

“Project” means the Construction Facilities and the Project Site.

“Project Costs” means costs incurred directly or indirectly for or in connection with the acquisition, construction, installation, improvement and financing of the Project, including but not limited to: costs incurred in respect of preliminary planning studies; fees for legal, engineering, accounting, consulting, supervisory and other services; costs of labor, services and materials; inspection costs; permit fees; filing and recording costs; reproduction and mailing costs; initial fees and charges of the Trustee; printing, safekeeping and delivery costs relating to the Certificates; and any other costs, expenses, fees and charges properly chargeable to the cost of acquisition, construction, installation, equipment, improvement, or financing of the Project and for which sufficient moneys are on deposit in the Project Fund.

“Project Facilities” means the construction, renovation, rehabilitation, and other related improvements to District school facilities as more particularly described in the Lease and located on the Project Site, as further described below:

- a) HVAC, building controls and related improvements at Kiser and Cleveland schools;
- b) Asphalt replacement at Kiser and Cleveland; and
- c) Other facility improvements, as may be required.

“Policy” or **“Bond Insurance Policy”** means the Municipal Bond Insurance Policy issued by BAM that guarantees the scheduled payment of principal of and interest on the Series 2026 Certificates when due.

“Project Fund” means the Project Fund by that name established pursuant to the Indenture and held by the School District.

“Project Site” means the real estate upon which the Project Facilities are to be constructed or installed as described in the Lease.

“Purchase Agreement” means the Certificate Purchase Agreement between the Trustee, the Original Purchaser and the School District relating to the initial offering and sale of the Series 2026 Certificates.

“Register” means the books kept and maintained by the Registrar for registration and transfer of Certificates pursuant to the Indenture.

“Registrar” means the Trustee acting in that capacity, as a transfer agent registered in accordance with Section 17A(c) of the Securities Exchange Act of 1934.

“Regular Record Date” means, with respect to any Certificate, the 15th day of the calendar month next preceding an Interest Payment Date applicable to that Certificate.

“Renewal Period” means, individually and not collectively, each Renewal Period designated in the Lease.

“Revenues” means (a) all moneys received or to be received by the Trustee with respect to the Project Facilities (other than Lease Payments), including without limitation, all income or other money realized from the lease, sale or other disposition of the Project Facilities, (b) any moneys and investments in the Project Fund to the extent provided in Section 5.2 of the Indenture and in the Certificate Fund (including the Lease Payment Account), (c) all income and profit from the investment of the foregoing moneys; but excluding specifically any moneys in the Rebate Fund created under Section 5.11 of the Indenture.

“School District” means the Dayton City School District in Montgomery County, Ohio.

“Series 2026 Certificates” or “Certificates” means the Certificates of Participation authorized in the Indenture.

“Special Record Date” means, with respect to any Certificate, the date established by the Trustee in connection with the payment of overdue interest on that Certificate pursuant to the Indenture.

“State” means the State of Ohio.

“Subject to Appropriations” means subject to appropriations made by the Board of Education of the Lessee, certified as to lawful availability and encumbered for the purpose by the Fiscal Officer, the President of the Board of Education and the Superintendent of the School District, and “appropriations are made” means those appropriations and that Fiscal Certification.

“Superintendent” means the Superintendent of the School District.

“Supplemental Indenture” means any agreement supplemental to the Indenture.

“Tax Opinion” means the opinion of Bond Counsel to the effect that the action or event referred to will not result in the interest on the Certificates paid from the interest portion of the Base Rent being included in gross income for purposes of federal income taxation or treated as a specific item of tax preference, under Section 57(a)(5) of the Code, in computing the alternative minimum tax for individuals.

“Treasurer” means the Treasurer of the Board of Education.

“Trustee” means U.S. Bank Trust Company, National Association, Cincinnati, Ohio, or any successor Trustee that may become the Trustee pursuant to the applicable provisions of the Indenture.

The Ground Lease

The Ground Lease will be entered into between the School District, as ground lessor, and the Corporation, as ground lessee. Pursuant to the Ground Lease, the School District will lease the Project Site to the Corporation. Rent under the Ground Lease will be paid in full in advance. The Ground Lease contemplates the sublease of the Project Site, together with the Project Facilities, back to the School District pursuant to the Lease. The Ground Lease will terminate on December 1, 2051, unless earlier terminated in accordance with its terms. The Corporation will assign all of its right, title and interest in the Ground Lease to the Trustee pursuant to the Assignment and the Indenture. Upon an event of non-appropriation or an Event of Default under the Lease, the School District will be required to surrender possession of the Project Site and Project Facilities to the Trustee, as assignee of the Corporation, for the remainder of the term of the Ground Lease, and the Trustee may re-let the Project Site and Project Facilities and apply the proceeds to the payment of the Certificates. BAM requires that certain provisions be present in the Ground Lease before it will issue the Policy with respect to the Series 2026 Certificates. For a description of some of these provisions, see **Appendix I**.

The Lease

General

The Lease will be entered into between the Corporation, as lessor, and the School District, as lessee. The Lease contains the terms and conditions under which the Project Facilities will be leased to the School District for the Lease Term. The School District will finance the acquisition of the Project by lease-purchase pursuant to the terms of the Lease. The Corporation, by the Indenture and the Assignment, will assign to the Trustee all its rights and interest in the Lease and the Project Facilities.

Lease Term; Renewal Periods

The initial Lease Term will commence on the date of the Lease and will expire on June 30, 2027, subject to renewal as provided under the Lease. The Lease may be renewed under the provisions of the Lease for consecutive Renewal Periods of one year each commencing on July 1 and terminating on June 30, except that the final Renewal Period will terminate on December 1, 2046. The Lease may be renewed in accordance with the following:

(a) The Lessee shall be deemed to have exercised its right of renewal for each succeeding Renewal Period if, prior to or within thirty (30) calendar days following the expiration of the then current Lease Term, appropriations are made of sufficient funds enabling the payment of all Base Rent and Additional Rent due during the next Renewal Period.

(b) If a Lease Term terminates without a renewal of the Lease for a succeeding Lease Term and if within thirty (30) days after such date of termination appropriations are made which would have caused the Lease to be renewed if the appropriation had been made prior to the termination of the prior Lease Term, then the Lease shall be reinstated and deemed renewed as of the day following the date of termination of the preceding Lease Term.

(c) If a Lease Term terminates without a renewal of the Lease for a succeeding Lease Term and if by November 1 of the Fiscal Year immediately following the Termination Date the Lessee has not appropriated sufficient funds to enable it to pay all the Lease Payments due during that Fiscal Year, then the Lessee shall transfer any remaining money in the Project Fund to the Trustee for deposit to the Lease Payment Account.

Rent

ALL OF THE OBLIGATIONS OF THE LESSEE UNDER THE LEASE ARE SUBJECT TO ANNUAL APPROPRIATION. Lease Payments are expected to be paid from the School District's General Fund. Simultaneously with its execution of the Lease, the Lessee will deliver to the Lessor the Fiscal Certification relating to Lease Payments due during the Lease Term ending June 30, 2027. Prior to or upon the commencement of each successive Lease Term, the Lessee shall deliver to the Lessor a similar Fiscal Certification or such other equivalent certificate at that time as may be required by law. So long as it would be factually accurate, the Fiscal Officer, the President of the Board of Education and the Superintendent of the School District shall give the Fiscal Certification relating to Lease Payments payable during a Lease Term.

On or prior to a Lease Payment Date during each Lease Term, the School District will pay to the Trustee, as Lessor, in lawful money of the United States of America, an amount equal to the Base Rent payable on such Lease Payment Date as set forth in the schedule attached to the Lease (and included herein under "**SOURCE OF PAYMENT FOR THE CERTIFICATES**"); provided that credit will be given for amounts on deposit in the Lease Payment Account.

The Lessee has agreed in the Lease to pay to the Lease Payments, including the interest and principal components of the Base Rent. Except as specifically provided in Section 6 of the Lease, the Lease Payments during a Lease Term will be absolute and unconditional in all events and will not be subject to any set-off, defense, counterclaim or recoupment for any reason whatsoever. Lease Payments shall be payable at the designated office of the Trustee or at such other place as the Lessor may from time to time designate in writing, subject to the terms of the Indenture.

The Lessee has agreed in the Lease to pay as Base Rent to the Lessor on or prior to each Lease Payment Date the Base Rent, less the amount of money then in, or to be transferred to, the Lease Payment Account and credited as Base Rent, as set forth in the invoice delivered to Lessee by the Trustee, which

invoice shall be sent not less than five days prior to the applicable Lease Payment Date. Each payment shall be applied first to payment of the interest component of the respective Base Rent payment.

The Lessee has agreed to pay to the Lessor the following amounts, if and whenever applicable, as Additional Rent: Section 5.6(f) of the Indenture requires the Trustee to notify the Lessee in the case of moneys in the Lease Payment Account on any Lease Payment Date being less than the amount then required to be in the Lease Payment Account. The Lessee shall immediately pay to the Lessor as Additional Rent an amount sufficient to make up such deficiency.

Subject to the appropriation of funds for such purpose by the Board of Education, and to the extent permitted by law, from time to time and upon receipt of an invoice from the Lessor or the Trustee as applicable, seeking Further Payments, the Lessee has agreed to pay such Further Payments to such party.

It is the Lessee's intent to make the Lease Payments for all Lease Terms if funds are lawfully available therefor and funds are appropriated for that purpose. In that regard, the Lessee has represented that the Project Facilities and the Lessee's use of the Project is essential to the proper, efficient and economic operation of the School District. Further, the School District, through its Fiscal Officer, intends to do all things lawfully within that officer's power to obtain and maintain funds from which Lease Payments may be paid, including requesting provision for such payments to the extent necessary in each annual budget and in the appropriation resolution for presentation to the Board of Education. The officers of the School District signing the Lease expect the Lease to be renewed through December 1, 2046, although such renewal (and each obligation of the School District arising as a result of any such renewal) remains subject to appropriation of lawfully available funds for such purpose by each applicable future Board of Education.

Purchase Option; Termination

If there is not then existing an Event of Default under the Lease, or an event which with notice or lapse of time or both could become an Event of Default, which would not be cured or remedied by the payments provided for in the Lease, the Lessee, upon ninety (90) days prior written notice to the Trustee, as Lessor, will have the right to purchase the Project Facilities on any date and terminate the Lease by paying to the Trustee as Lessor an amount necessary to defease the Indenture as provided in Article IX of the Indenture (the “**DESCRIPTION OF DOCUMENTS – The Indenture**” herein).

Upon Lessee's exercise of the option to purchase the Project Facilities and cancel the Lease, the Project Facilities shall become the property of the Lessee and all right, title and interest of the Lessor in the Project Facilities shall pass to the Lessee, and the Lease will terminate. In such case, the Lessor has agreed to execute such instruments and do such things as the Lessee reasonably requests in order to effectuate transfer of any and all of the Lessor's right, title and interest in the Project Facilities to the Lessee. The Lessor's interest in the Project Facilities will be conveyed to the Lessee free and clear of all liens, encumbrances, covenants, conditions, restrictions, easements, and rights of way of record, leases or other tenancy agreements and other matters of record, except (i) current taxes, a lien not yet delinquent, (ii) those portions of current assessments not yet due and payable, (iii) anything of record or not of record that in any way affects title to the Project Facilities resulting from acts or omissions of the Lessee or consented to by the Lessee, (iv) any liens and encumbrances existing at the commencement of, or placed on the Project Facilities during the term of, the Lease by the Lessee and the Lessor jointly, (v) any defects in title, covenants, conditions, restrictions, easements, rights of way of record, and lease or other tenancy agreements existing at the commencement of the term of the Lease, (vi) subleases covering portions of the Project Facilities executed by the Lessee during the term of the Lease.

Title

The Lessor will retain title to the Project Facilities until all Base Rent and other obligations of the School District have been paid.

Additions, Modifications and Improvements

Following the Lessee's acceptance and occupancy of the Project Facilities, the Lessee, in its discretion and at its expense, may make from time to time any additions, modification or improvements to the Project Facilities which it may deem desirable, provided that no such additions, modification or improvements shall adversely affect the structural integrity or strength of any improvements constituting a part of the Project Facilities or materially interfere with the use and operation of the Project Facilities. All additions, modifications and improvements so made to the Project Facilities by the Lessee shall become and be deemed to constitute a part of the Project Facilities.

Personal Property

Any equipment and furnishings constituting a part of the Project Facilities are and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which they may be situated, notwithstanding that such equipment and furnishings any part thereof may be or hereafter may become in any manner physically affixed or attached to real estate or any building.

The Lessee may from time to time, in its discretion and at its expense, install personal property and fixtures, in addition to the Project Facilities, in or upon the Project Site. All such items so installed will be and remain the sole property of the Lessee and will not be deemed part of the Project Facilities for purposes of the Lease. The Lessee may, at any time while it is not in default under the Lease, remove from the Project Facilities any property installed pursuant to this paragraph after first delivering to the Lessor a certificate stating that such property does not and did not constitute a part of the Project Facilities. If any such removal causes damage to any portion of the Project Facilities, the Lessee shall restore the same or repair such damage at its expense. The Lessor shall execute and deliver such documents as the Lessee may properly request to evidence that particular item of personal property or fixtures installed on or removed from the Project Facilities pursuant to this paragraph are not part of the Project Facilities for purposes of the Lease.

Maintenance, Operation and Use of Project Facilities

(a) The Lessee, at its expense and during a Lease Term, has agreed to:

- (i) Keep or cause to be kept the Project Facilities in good order and condition (ordinary wear and tear excepted), and make all necessary or appropriate repairs, replacements and renewals thereof, interior, exterior, structural and non-structural, ordinary and extraordinary, foreseen and unforeseen.
- (ii) Comply with all laws, insurance policies and regulations relating to, and obtain and maintain any governmental licenses and permits required for, the use, maintenance, repair and operation of the Project Facilities.
- (iii) Pay all costs, claims, damages, fees and charges arising out of its possession, use, operation or maintenance of the Project Facilities.
- (iv) Promptly comply with all rights of way or use, privileges, franchises, servitudes, licenses, easements, tenements, hereditaments and appurtenances forming a part of the Project Facilities and all instruments creating or evidencing the same, in each case, to the extent compliance therewith is required of Lessee under the terms of the Lease.

(b) The Lessee will not do, or permit to be done, any act or thing which might materially impair the value of the Project Facilities, will not commit or permit any material waste of the Project Facilities, and will not permit any unlawful or unauthorized occupation, business or trade to be conducted on the Project Facilities.

Substitutions and Removals

(a) If Lessee, in its reasonable discretion, determines that any item of personal property constituting a part of the Project Facilities has become inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary or should be replaced, the Lessee, may remove such item provided that such removal (taking into account any substitutions) shall not materially impair the leasehold value of the Project Facilities.

(b) The School District may from time to time, in its discretion and at its expense, install the School District's own personal property, in addition to the Project Facilities, in or upon the Project Facilities or the Project Site. All such items so installed shall be and remain the sole property of the School District and shall not be deemed part of the Project Facilities for purposes of the Lease. The School District may, at any time, remove from the Project Facilities any property installed pursuant to the preceding sentence. If any such removal causes damage to any portion of the Project Facilities or the Project Site, the School District shall restore the same or repair such damage at its expense, subject to the appropriation of funds by the Board of Education for such purpose.

Insurance

During the period of the acquisition, construction, installation and improvement of the Project Facilities pursuant to the Construction Terms, the School District shall acquire and maintain in full force and effect the insurance coverages set forth below. All such insurance policies shall comply with all Legal Requirements and Insurance Requirements, as such terms are defined in Section 24 of the Lease. All policies of liability insurance and certificates of workers' compensation insurance therefor issued by the respective insurers, bearing notations evidencing the payment of premiums or accompanied by other evidence reasonably satisfactory to the School District of such payment, shall be obtained by the School District prior to the commencement of construction of the Project Facilities and maintained in the custody of or subject to the control of the Fiscal Officer and available for public inspection during the term of the Lease and all Renewal Period. The required insurance coverage is as follows:

(a) Workers' compensation insurance covering all persons employed in connection with that work and with respect to whom death or bodily injury claims could be asserted against the Lessor, the School District or the Project Facilities.

(b) General liability insurance for the mutual benefit of the Lessor and the School District with limits of not less than \$3,000,000 for all personal injury or death claims, and property claims arising out of any one occurrence. Such insurance shall include coverage against the claims set forth below which may arise out of or result from construction of the Project Facilities, whether such construction is by the School District or by a subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

(i) claims under workers' compensation, disability benefit and other similar employee benefit acts;

(ii) claims for damages because of occupational sickness or disease or death of School District employees involved in the construction;

(iii) claims for damages because of bodily injury, sickness or disease, or death of any person other than direct School District employees;

(iv) claims for damages insured by usual personal injury liability coverage which are sustained (A) by any person as a result of an offense directly or indirectly related to the

employment of such person by the School District or (B) by any other person involved in the construction;

(v) claims for damages, other than to the work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom; and

(vi) claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle.

(c) Property and casualty insurance, including fire and extended coverage insurance, insuring the Project Facilities and all additions, alterations and improvements to the same, against damage and destruction by all causes generally insured against in policies of fire and extended coverage insurance written on properties in Montgomery County, Ohio, in the amount of at least the replacement value thereof, as determined by the insurance company issuing such policy of insurance. This insurance shall include the interests of the Lessor, the School District, contractors and sub- subcontractors in the work and shall insure against the perils of fire and extended coverage and shall include "all risk" insurance for physical loss or damage including, without duplication of coverage, theft, vandalism and malicious mischief.

The School District shall provide to the Lessor evidence of such insurance coverage within 30 days of the execution of the Lease and within 30 days of the expiration of any coverage term.

Upon the Lessee's occupancy of the Project Facilities, the Lessee shall keep the Project Facilities continuously insured during a Lease Term with insurance coverage against loss or damage by fire, lightning, vandalism and malicious mischief and all other perils covered by standard "extended coverage" or "all risks" policies, in the amount of 100% of the replacement cost of the Project Facilities (or, if the Project Facilities are part of other School District facilities, the replacement cost of those School District facilities plus the Project Facilities) or the then outstanding principal amount of the Certificates, whichever is greater. Insurance may be under a blanket form of insurance policy insuring other School District buildings and with any loss deductible used by the Lessee in connection with such blanket policy of insurance. Any such policy must apply exclusively to the Project Facilities and must be available to repair, restore or replace the Project Facilities under all circumstances after the occurrence of an insured peril and must explicitly waive any co-insurance penalty. Full payment of insurance proceeds up to the required policy dollar limit in connection with damage to the Project Facilities shall, under no circumstances, be contingent on the degree of damage sustained at different facilities owned or leased by the School District.

Insurance shall be obtained and maintained by means of policies with generally recognized, responsible insurance companies or in conjunction with other companies through an insurance trust or other arrangements satisfactory to the Lessor. All such companies must be qualified to do business in the State and be rated at least "A" by Best or in the two highest rating categories of Moody's Investors Service, Inc. or S&P Global Ratings, a division of S&P Global, Inc. Each policy of insurance shall be written so as not to be subject to cancellation or substantial modification upon not less than ten days' advance written notice to the Lessor. The Lessee shall, at least annually, deposit with the Lessor certificates or other evidence satisfactory to the Lessor that the insurance required by the Lease has been obtained and is in full force and effect and that all premiums on that insurance have been paid in full. Prior to the expiration of any such insurance, the Lessee shall furnish the Lessor with evidence satisfactory to the Lessor that such insurance has been renewed or replaced and that all premiums on that insurance have been paid in full within thirty (30) days of such renewal or replacement. To the extent possible, all policies providing the required property insurance coverage shall contain standard mortgagee clauses requiring all proceeds resulting from any claim for loss or damage to be paid to the Trustee to be applied as set forth in the Indenture if not applied as below (see **"DESCRIPTION OF DOCUMENTS - The Lease – Risk of Loss; Damage; Destruction"**).

The School District shall maintain reasonable and customary liability insurance under policies with companies qualified to do business in the State and rated at least “A” by Best or in the two highest rating categories of Moody's Investors Service, Inc. or S&P Global Ratings, a division of S&P Global, Inc.

Risk of Loss; Damage; Destruction

(a) The Lessee has assumed all risk of loss of or damage to the Project Facilities from any cause whatsoever. No loss of or damage to or defect in or unfitness or obsolescence of, the Project Facilities will relieve the Lessee of the obligation to make Lease Payments during a Lease Term or to perform any other obligation under the Lease.

(b) In case of any damage to or destruction of the Project Facilities or any part thereof, the Lessee will promptly give or cause to be given written notice thereof to the Lessor generally describing the nature and extent of such damage or destruction. Unless the Lessee exercises its option to purchase the Project Facilities pursuant to the Lease, there shall be no abatement or diminution of Lease Payments and the Lessee shall, whether or not the Net Proceeds of insurance, if any, received on account of such damage or destruction shall be sufficient for such purpose, promptly commence and complete, or cause to be commenced and completed, the repair or restoration or replacement of the Project Facilities as nearly as practicable to the value and condition thereof existing immediately prior to such damage or destruction, with such changes or alterations, however, as the Lessee may deem necessary for proper operation of the Project Facilities; provided however, that if the amount of the insurance provided above after occupancy of the Project Facilities is equal to the then outstanding principal amount of the Certificates, such Net Proceeds of insurance shall be paid to the Trustee for deposit in the Lease Payment Account and application in accordance with the Indenture unless such Net Proceeds of insurance plus any additional funds deposited with the Trustee are sufficient to repair, restore or replace the damaged Project Facilities.

(c) In the event of total destruction of the Project Facilities, the Lessee shall apply insurance proceeds, self-insurance and any other moneys available and appropriated for the purpose, to the acquisition and installation of replacement facilities to constitute the Project Facilities, unless the Lessee exercises its option to purchase the Project Facilities from lawfully available and appropriated funds pursuant to “**DESCRIPTION OF DOCUMENTS – The Lease - Purchase Option; Termination**” herein.

(d) Notwithstanding subsections (b) and (c) above, the Net Proceeds of any insurance; (i) to the extent they are not promptly used or encumbered for the purposes stated above, or (ii) in the event the Lessee is in default in making any Lease Payments, in an amount sufficient to cure any such default shall be paid to the Trustee for deposit in the Lease Payment Account.

Eminent Domain

If title to or the temporary use of the Project Facilities, or any part thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under any governmental authority, the Lessee will promptly give written notice thereof to the Lessor describing the nature and extent of such taking. Any Net Proceeds received from any eminent domain award and not used to acquire replacement property constituting part of the Project Facilities shall, if received prior to the end of the last Lease Term, be paid to and held by the Trustee in accordance with the Indenture.

Assignment

The Lessee may not, without the prior written consent of the Trustee and an opinion of nationally recognized bond counsel that such assignment, transfer or other disposition will not adversely affect the excludability from gross income for purposes of federal income taxation of the interest on the Certificates, paid from the interest component of the Base Rent payments, (i) assign, transfer, pledge, hypothecate or

grant any security interest in or otherwise dispose of the Lease, or the Project Site or the Project Facilities (without replacement or substitution), or any interest in the Lease, the Project Site or the Project Facilities, or (ii) sublease the Project Site or Project Facilities or permit it to be operated by anyone other than the Lessee, the Lessee's employees or persons authorized by the Lessee in connection with the Lessee's operation and maintenance of the Project Site or Project Facilities.

The Lessor may assign to the Trustee or other party without recourse its rights, title and interests, in and the Lease, the Project Facilities and any documents executed with respect to the Lease, and/or grant or assign a security interest in the Lease and its right in the Project Facilities, in whole or in part. Those assigned rights, title and interest of the Lessor may be further assigned and the assignees may grant or assign a security interest in the Lease and the Project Facilities, in whole or in part. Any such assignee shall have all of the rights and obligations of the Lessor under the Lease. Upon such assignment by the Lessor, the Lessor or its assignee will cause written notice of the assignment to be sent to the Lessee; no further action will be required by the Lessor or its assignee or by the Lessee to evidence the assignment, but the Lessee will acknowledge such assignment in writing if so requested.

Defaults and Remedies

The occurrence of any one or more of the following events constitutes an "Event of Default" under the Lease:

- (i) the Lessee's failure to make during any Lease Term any Lease Payment (or any other payment) when due in accordance with the terms of the Lease;
- (ii) the Lessee's failure to perform or observe any other covenant, condition or agreement to be performed or observed by it under the Lease, and the failure is not cured within thirty (30) days after written notice of the failure to the Lessee by the Lessor or, if the failure is of such a nature that it cannot practicably be cured within such thirty (30) days, steps satisfactory to the Lessor are not taken to cure the failure within such thirty (30) days and the failure is not cured within one hundred eighty (180) days after such written notice of the failure to the Lessee by the Lessor;
- (iii) the discovery by the Trustee or Lessor that any material statement, representation or warranty made by the Lessee in the Lease or in any writing delivered by the Lessee pursuant to or in connection with the Lease is false, misleading or erroneous in any material respect; provided, however, that the Lessor shall not be under any duty to investigate, inquire or ascertain whether any such statements, representations or warranties are false, misleading or erroneous; or
- (iv) the Lessee shall have an order for relief entered in any case commenced by or against it under the federal bankruptcy law or commence a proceeding under any federal or state bankruptcy, insolvency, reorganization or similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for 90 days.

Notwithstanding the foregoing, if, by reason of Force Majeure, the Lessee is unable to perform or observe any agreement, term or condition of the Lease, other than any obligation to make payments required under the Lease, the Lessee shall not be deemed in default during the continuance of such inability. However, the Lessee shall promptly give notice to the Lessor of the existence of any event of Force Majeure and shall use its best efforts to remove the effects thereof; provided that the settlement of strikes or other labor disturbances shall be entirely within the Lessee's discretion.

For the purpose of the immediately preceding paragraph, the term “Force Majeure” means, without limitation, the following:

- (i) Acts of God; strikes, lockouts or other labor disturbances; acts of public enemies; order or restraints of any kind of the government of the United States of America or of any departments, agencies, political subdivisions or officials of the State, or any civil or military authority; insurrections; civil disturbances; riots; epidemics; pandemics, landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; droughts; floods; arrests; restraint of government and people; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; or
- (ii) Any other cause, circumstance or event not reasonably within the control of the Lessee.

Upon the occurrence and continuance of an Event of Default, the Lessor may, pursuant to the Lease, exercise any other right, remedy or privilege which may be available to it under the applicable laws of the State or any other applicable law or proceed by appropriate court action to enforce the terms of the Lease or to recover damages for the breach of the Lease or to rescind the Lease as to the Project Facilities, provided, however, that there shall be no right under any circumstances to accelerate the maturities of the Base Rent payments or to otherwise declare any Base Rent not then past due or in default to be immediately due and payable:

Upon the occurrence and continuation of an Event of Default, or upon termination of the Lease as a result of an event of non-appropriation, the School District will be required to vacate and return possession of the Project Site and Project Facilities to the Trustee, as assignee of the Corporation, for the remainder of the term of the Ground Lease. (See “**CERTIFICATE HOLDERS’ RISKS - Risks Associated with Non-appropriation of Base Rent**”).

Amendments to Lease

The Lease may not be modified, amended, altered or changed except with the written consent of the School District and the Lessor, and of the Certificate Holders, as provided for in the Indenture.

Lease Provisions related to the Municipal Bond Insurance Policy

BAM requires that certain provisions be present in the Lease before it will issue the Policy with respect to the Series 2026 Certificates. For a description of some of these provisions, see **Appendix I**.

Application of Lease Covenants to Other Facilities

The School District will covenant and agree to take all such action required under the Lease, as appropriate and applicable, with respect to the acquisition, construction, improvement, and installation of the Other Facilities, that otherwise apply to the acquisition, construction, improvement, and installation of the Project Facilities. Furthermore, the School District will covenant and agree to refrain from taking any such actions prohibited to be taken under the Lease with respect to the Other Facilities as are prohibited to be taken with respect to the Project Facilities as related to maintaining the exemption from gross income for federal income tax purposes afforded under the Code to the interest on the Certificates. Notwithstanding the foregoing, such covenant shall in no way create any right to, interest in, or encumbrance of the Other Facilities under the Lease.

The Assignment

The Assignment will be entered into between the Corporation as assignor and the Trustee as assignee, in its capacity as Trustee pursuant to the Indenture between the Corporation and the Trustee, its successors and assigns. Under the Assignment, the Corporation assigns without recourse to the Trustee all its rights and interest, except for certain unassigned rights relating to indemnification or reimbursement of expenses, under the Lease.

The Corporation authorizes and directs the School District, or any other or future lessees under the Lease or other users of a portion of the premises leased by the School District, to recognize the Trustee as lessor under the Lease. By accepting the Assignment, the Trustee assumes no obligation, except as Lessor by assignment as set forth in the Indenture, or liability of any kind in connection with the Lease.

The Indenture

Assignment

In order to secure the payment of the Series 2026 Certificates and the performance of the obligations contained in the Indenture, the Corporation will assign without recourse to the Trustee all its right, title and interest and the Lease in and to (a) the Revenues, and the (b) the Lease Payments.

Certificate Fund

The Indenture creates the Certificate Fund as a separate deposit account in the custody of the Trustee consisting of a Lease Payment Account. There will be deposited in the Certificate Fund (and credited, as required by the Indenture or the Lease, to appropriate Accounts therein) amounts transferred from the Project Fund pursuant to the Indenture and the Base Rent to be paid by the School District to the Trustee under the terms of the Lease and the Assignment. The Certificate Fund (and the Accounts therein) and the money and Eligible Investments therein will be used solely and exclusively for the payment of Certificate Payments as they become due, except as otherwise provided in the Indenture. The Trustee will transmit to itself as Paying Agent from money in the Certificate Fund, amounts sufficient to make timely payments of Certificate Payments.

Certificate Payments will be payable as they become due in the following order, (i) from amounts on deposit in the Lease Payment Account in the Certificate Fund, (ii) if moneys then on deposit in the Certificate Fund, and available for that purpose are not sufficient to pay the Certificate Payments, from other Revenues to the extent then available, (iii) from any other source lawfully available to the Trustee, and (iv) from any moneys then on deposit in the Project Fund. Payments of Base Rent under the Lease, proceeds of insurance or condemnation and all other moneys derived from the disposition of the Project Facilities, any penalty payments due pursuant to the Construction Terms and such other amounts as may be paid to the Trustee pursuant to the Lease shall be immediately deposited by the Trustee in the Lease Payment Account.

If on any Payment Date the amount in the Lease Payment Account is less than the amount of Certificate Payments due and payable on that Payment Date, the Trustee shall immediately notify the School District and the School District shall immediately deposit with the Trustee an amount sufficient to make up such deficiency.

Project Fund

The Indenture creates a separate deposit account (except when invested as provided hereinafter) designated the Project Fund to be held by the School District's Fiscal Officer as a separate deposit account (except when invested as provided hereinafter). Pending disbursement pursuant to the Indenture, the proceeds of the sale of the Certificates deposited in the Project Fund in accordance with the Indenture, together with any other moneys and Eligible Investments held to the credit of the Project Fund, shall constitute a part of the Revenues assigned to the Trustee as security for the payment of the Certificate Payments.

Moneys in the Project Fund shall be used solely to pay Project Costs in accordance with the provisions of this Section in accordance with Revised Code, Section 5705.10. The School District's Fiscal Officer shall cause to be kept and maintained adequate records pertaining to the Project Fund and all investments and disbursements of moneys in the Project Fund. If requested by the Trustee, after the Project have been completed and a certificate of payment of all costs is filed as provided in Section 5.5 of the Indenture and as further provided in the Lease, the School District's Fiscal Officer shall file copies of the records pertaining to the Project Fund and disbursements therefrom with the Trustee.

Costs of Issuance Fund

The Indenture creates a separate deposit account held by the Trustee designated the Costs of Issuance Fund. Moneys in the Costs of Issuance Fund shall be disbursed in accordance with the Trustee Instructions and used to fund the Costs of Issuance of the Certificates; provided, that the Trustee Instructions may provide that the Costs of Issuance be paid directly from the proceeds of the Certificates. Any funds remaining in the Costs of Issuance Fund after paying all Costs of Issuance pursuant to the Trustee Instructions shall be transferred to the Lease Payment Account

Investment of Funds

Any money held in the Certificate Fund and Project Fund will, at the direction of the School District, be invested or reinvested by the Trustee in Eligible Investments.

The School District has agreed in the Lease to restrict the investment, reinvestment and use of the proceeds of the Series 2026 Certificates in such manner and to such extent, if any, as may be necessary, after taking into account reasonable exceptions at the time of issuance of such Certificates, so that they will not constitute arbitrage bonds under federal tax laws. An investment made from money credited to a Fund will constitute part of that Fund and such Fund will be credited with all proceeds of sale and income from such investment.

Defeasance

When all the Certificate Payments have been paid or provision has been made for such payment of all amounts and provision has been made for payment of all amounts due under the Lease and the Indenture, then the Indenture (except for certain provisions thereof that need to remain operative, such as those relating to the holding of funds for the benefit of particular Holders or for the School District) will cease, determine and become null and void, and the covenants, agreements and other obligations of the Trustee thereunder will be released, discharged and satisfied. Thereupon, the Trustee will release the Indenture and sign and deliver to the School District such instruments in writing as will be required to evidence such release and discharge as may be reasonably required by the School District. The Trustee will transfer and deliver to the School District any property in its possession that is, at that time, subject to the lien of the Indenture, except amounts remaining in the Certificate Fund that are required pursuant to the Indenture to be held by the Trustee or otherwise for payment of the Certificate Payments.

Events of Default

The following are Events of Default under the Indenture:

- (a) Failure to pay interest with respect to any Certificate, when and as the same shall have become due and payable; or
- (b) Failure to pay the principal or any premium with respect to any Certificate, when and as the same shall become due and payable, whether at maturity, by acceleration or call for redemption; or
- (c) The Lease is not renewed for any Renewal Period as provided for in the Lease; or
- (d) Failure to perform or observe duly or punctually any other covenant, condition or agreement contained in the Lease, the Certificates, or in the Indenture or any Supplemental Indenture and to be performed by the School District, which failure shall have continued for a period of thirty (30) days after written notice specifying the default and requiring same to be remedied has been given to the School District by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the holders of not less than ten percent (10%) of the principal amount of the Certificates then outstanding.

Remedies

Upon the occurrence and continuance of an Event of Default under the Indenture, the Trustee may pursue any available remedy to enforce the payment of Certificate Payments or the observance and performance of any other covenant, agreement or obligation under the Indenture, the Lease or any other instrument providing security, directly or indirectly, for the Certificates; provided, however, that there shall be no right under any circumstances to accelerate the maturity of the Certificates or to otherwise declare any Lease Payment not then past due or in default to be immediately due and payable.

If, upon the occurrence and continuance of an Event of Default, the Trustee is requested so to do by the Holders of at least 25 percent in aggregate principal amount of Certificates outstanding, the Trustee (subject to the provisions of Sections 6.1 and 6.2 of the Indenture and particularly subparagraph 6.1(d)(iv) and Subsection 6.2(j) of those Sections, as such Sections relate to costs and expenses incurred by the Trustee), shall exercise any rights and powers conferred by the Indenture and specified herein.

No remedy conferred upon or reserved to the Trustee (or to the Holders) by the Indenture is intended to be exclusive of any other remedy. Each remedy shall be cumulative and shall be in addition to every other remedy given thereunder or otherwise to the Trustee or to the Holders now or hereafter existing.

No delay in exercising or omission to exercise any remedy, right or power accruing upon any default or Event of Default shall impair that remedy, right or power or shall be construed to be a waiver of any default or Event of Default or acquiescence therein. Every remedy, right and power may be exercised from time to time and as often as may be deemed to be expedient.

No waiver of any default or Event of Default under the Indenture, whether by the Trustee or by the Holders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any remedy, right or power consequent thereto.

As the assignee of all right, title and interest of the Corporation in and to the Lease, the Trustee is empowered under the Indenture to enforce each remedy, right and power granted to the Lessor under the Lease. In exercising any remedy, right or power thereunder or hereunder, the Trustee shall take any action which would best serve the interests of the Holders in the judgment of the Trustee, applying the standards described in Sections 6.1 and 6.2 of the Indenture.

Right of Holders to Direct Proceedings

The Holders of a majority in aggregate principal amount of Certificates then outstanding will have the right at any time to direct, by instruments or documents in writing signed and delivered to the Trustee, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or any other proceedings under the Indenture. However, each such direction must be in accordance with the provisions of law and the Indenture, and the Trustee must be indemnified to its satisfaction and the Trustee may take any other action that it deems to be proper and that is not inconsistent with the direction.

Rights and Remedies of Holders

The Holder of any Certificate will not have any right to institute any suit, action or proceeding for the enforcement of the Indenture, for the execution of any trust under the Indenture or for the exercise of any other remedy under the Indenture, unless (a) an Event of Default under the Indenture has occurred and is continuing, of which the Trustee has been notified or is deemed to have notice, (b) the Holders of not less than 25% in aggregate principal amount of Certificates then outstanding have made written request to the Trustee and have afforded the Trustee reasonable opportunity to proceed to exercise the remedies, rights and powers provided in the Indenture or to institute such action, suit or proceeding in its own name and have offered to the Trustee indemnity as provided in the Indenture, and (iii) the Trustee thereafter has failed or refused to exercise its remedies, rights and powers under the Indenture or to institute such action, suit or proceeding in its own name.

No one or more Holders of the Certificates shall have any right to affect, disturb or prejudice in any manner whatsoever the security or benefit of the Indenture by its or their action, or to enforce, except in the manner provided herein, any remedy, right or power hereunder. Any suit, action or proceedings shall be instituted, had and maintained in the manner provided herein for the benefit of the Holders of all Certificates then outstanding. Nothing in the Indenture shall affect or impair, however, the right of any Holder to enforce the payment of the Certificate Payments on any Certificate owned by that Holder at and after the maturity thereof, at the place, from the sources and in the manner expressed in that Certificate.

Waivers of Events of Default

Except as described herein, at any time, the Trustee in its discretion may waive any Event of Default under the Indenture and its consequences. The Trustee will do so upon the written request of the Holders of (a) at least a majority in aggregate principal amount of all Certificates then outstanding in respect of which an Event of Default in the payment of Certificate Payments exists or (b) at least 25% in aggregate principal amount of all Certificates then outstanding, in the case of any other Event of Default under the Indenture.

There will not be so waived, however, any Event of Default described in item (a), (b) or (d) of **“DESCRIPTION OF DOCUMENTS - The Indenture – Events of Default”** herein, unless at the time of that waiver payments of all Certificate Payments then due and payable have been made or provision has been made therefor. In the case of the waiver, or in case any suit, action or proceedings taken by the Trustee on account of any Event of Default under the Indenture has been discontinued, abandoned or determined adversely to it, the Trustee and the Holders will be restored to their former positions and rights under the Indenture. No waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Application of Money

All money received by the Trustee pursuant to any remedial action taken under the Indenture, the Lease or the Assignment will be applied first to the payment of the costs, expenses, liabilities, and advances

paid, incurred or made by the Trustee in the collection of the money. The balance of such money will be deposited in the Certificate Fund and applied to the payment of principal of, premium, if any, and interest on the Certificates, in the order of priority set forth in the Indenture.

Supplemental Indentures

The Corporation and the Trustee may enter into supplemental Indentures, without the consent of or notice to any of the Holders, for the issuance of Additional Certificates or for any one or more of the following purposes:

- (a) To cure any ambiguity, inconsistency or formal defect or omission in the Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that lawfully may be granted to or conferred upon the Holders or the Trustee;
- (c) To assign additional revenues under the Indenture;
- (d) To accept additional security and instruments and documents of further assurance with respect to the Project Facilities;
- (e) To add to the covenants, agreements and obligations under the Indenture, other covenants, agreements and obligations to be observed for the protection of the Holders, or to surrender or limit any right, power or authority reserved or conferred in the Indenture;
- (f) To evidence any succession to the Trustee and the assumption by its successor of the covenants, agreements and obligations of the Trustee under the Indenture and the Certificates;
- (g) To permit the exchange of Certificates, at the option of the Holders thereof, for coupon Certificates payable to the bearer, in an aggregate principal amount not exceeding the unmatured and unredeemed principal amount of the Predecessor Certificates, bearing interest at the same rate or rates and maturing on the same date or dates, with coupons attached representing all unpaid interest due or to become due thereon, subject to a Tax Opinion relating to that exchange;
- (h) To permit the use of a book entry system to identify the owner of a proportionate interest in the Lease Payments authorized under the Indenture, whether that proportionate interest was formerly, or could be, evidenced by a tangible security;
- (i) To permit the Trustee to comply with any obligations imposed upon it by law;
- (j) To specify further the duties and responsibilities of, and to define further the relationship among, the Trustee, the Registrar and the Paying Agent;
- (k) To achieve compliance of the Indenture with any applicable federal securities or tax law;
- (l) To permit any other amendment which, in the judgment of the Trustee, is not to the material detriment of the Trustee or the Holders (which may be based, as to matters of law, on an Opinion of Counsel);
- (m) To make necessary or advisable amendments or additions in connection with the issuance of Additional Certificates in accordance with the terms of the Indenture which, in the judgment of the Trustee (which may be based, as to matters of law, on an Opinion of Counsel) do not materially adversely affect the interests of the Holders of outstanding Certificates.

The provisions of paragraphs (i) and (k) above shall not be deemed to constitute a waiver by the Trustee or any Holder of any right which it may have in the absence of those provisions to contest the application of any change in law to this Indenture or the Certificates.

Exclusive of supplemental agreements for the purposes above stated, the consent of the Holders of not less than a majority in aggregate principal amount of the Certificates then outstanding will be required, to approve any supplemental Indenture, provided that no supplemental Indenture may permit: (a) an extension of the maturity of the principal of or the interest on any Certificate, or a reduction in the principal amount of any Certificate, or (b) the creation of a privilege or priority of any Certificate over any other Certificate, or a reduction in the aggregate principal amount of Certificates required for consent to such Supplemental Indenture, without the consent of the Holders of all of the Certificates then outstanding. In addition, the School District must consent to any supplemental Indenture which affects the rights or obligations of the School District.

Indenture Provisions related to the Municipal Bond Insurance Policy

BAM requires that certain provisions be present in the Indenture before it will issue the Policy with respect to the Series 2026 Certificates. For a description of some of these provisions, see **Appendix I**.

THE TRUSTEE

The Trustee, U.S. Bank Trust Company, National Association, is a national banking association with its principal corporate office in Cincinnati, Ohio. The Trustee regularly acts as trustee for revenue bond issues of Ohio local governments.

The Trustee will, prior to the occurrence of an Event of Default and after the cure of any Events of Default that may have occurred, undertake to perform only such duties as are specifically set forth in the Indenture. At the time of an Event of Default and during its continuation, the Trustee will exercise the rights and powers vested in the Trustee by the Indenture and is to use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

RATINGS

Moody's Investors Service has assigned an underlying rating of "A3" to the Series 2026 Certificates. S&P Global Ratings ("S&P") has assigned its municipal bond rating of "AA" (the "Insured Rating") to the Series 2026 Certificates, with the understanding that, concurrently with the delivery of the Series 2026 Certificates, a Municipal Bond Insurance Policy insuring the scheduled payment when due of the principal of and interest on the Series 2026 Certificates will be issued by Build America Mutual Assurance Company ("BAM"). The Insured Rating is based upon the issuance of the Policy by BAM upon delivery of the Series 2026 Certificates. See **"Appendix G – Bond Insurance"** for a discussion of the ratings of BAM's financial strength.

The ratings reflect only the view of the rating services, and any explanation of the meaning or significance of the ratings may only be obtained from the rating services. The School District furnished to the rating services certain information and materials, some of which may not have been included in this Offering Circular, relating to the Series 2026 Certificates and the School District. Generally, rating services base their ratings on such information and materials and on their own investigation, studies and assumptions.

There can be no assurance that a rating when assigned will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating service if in its judgment circumstances warrant. Any lowering or withdrawal of a rating may have an adverse effect on the marketability or market price of the Series 2026 Certificates.

The School District expects to furnish the rating services with information and materials that they may request in the future. However, the School District assumes no obligation to furnish requested information or materials, and may enter into other lease-purchase agreements for which a rating is not requested. Failure to furnish requested information and materials, or the offer, sale and delivery of Series 2026 Certificates for which a rating is not requested, may result in the suspension or withdrawal of a rating on the Series 2026 Certificates.

LITIGATION

Upon delivery of the Series 2026 Certificates, the School District will furnish a certificate dated the date of delivery of the Series 2026 Certificates to the effect that (a) to the knowledge of the signer or signers thereof there is no litigation pending or threatened against the School District affecting the validity of the Lease, the Indenture or the Series 2026 Certificates; and (b) the signing, delivery and performance of the Lease by the School District and the Indenture by the Trustee will not violate any provision of the Constitution, statutes or other laws of the School District or any judgment, order or regulation of any court or of any public or governmental agency or authority of the School District and will not conflict with or result in any breach of any of the provisions of, or constitute a default under, any agreement or instrument to which the School District is a party or by which it or any of its property is or may be bound, nor will such action result in any violation of the provisions of any statute, order, rule or regulation applicable to the School District of any court or any federal, School District or other regulatory authority or other governmental body.

The School District is a party to various legal proceedings seeking damages or injunctive or other relief and generally incidental to its operations. These proceedings are unrelated to the Series 2026 Certificates or the security for the Certificates, or the permanent improvements being financed. The ultimate disposition of these proceedings is not now determinable, but will not, in the opinion of School District officials, have a material adverse effect on the Series 2026 Certificates, the security for the Certificates, or those improvements or the School District's operating revenues.

Under current Ohio law, School District money, accounts and investments are not subject to attachment to satisfy tort judgments in State courts against the School District.

LEGAL MATTERS

Legal matters incident to the signing and delivery of the Series 2026 Certificates and with regard to the tax-exempt status of the Interest Portion (see "**TAX MATTERS**") are subject to the legal opinion of FBT Gibbons LLP whose legal services as Bond Counsel have been retained by the School District. The signed legal opinion, dated and premised on law in effect as of the date of original delivery of the Series 2026 Certificates, will be delivered to the School District at the time of original delivery. FBT Gibbons LLP also serves as General Counsel to the School District.

The proposed text of the legal opinion is set forth as **Appendix D**. The legal opinion to be delivered may vary from that text, if necessary, to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of the Offering Circular or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referred to in the opinion subsequent to its date. Certain legal matters will be passed upon for the Underwriter by its counsel, Dinsmore & Shohl LLP.

In addition to rendering the legal opinion, Bond Counsel will assist in the preparation of and advise the School District concerning documents for the transcript of proceedings for the Series 2026 Certificates.

Although Bond Counsel has participated in the preparation of portions of this Offering Circular, it has not been engaged to confirm or verify, and expresses and will express no opinion as to, the accuracy,

completeness or fairness of any statements in this Offering Circular, or in any other reports, financial information, offering or disclosure documents or other information pertaining to the School District or the Series 2026 Certificates that may be prepared or made available by the School District or others to the purchasers or owners of the Series 2026 Certificates or of book entry interests in the Series 2026 Certificates or others.

TAX MATTERS

In the opinion of FBT Gibbons LLP, Bond Counsel, under existing law (a) assuming renewal of the Lease through the final Renewal Period and continuing compliance with certain covenants and the accuracy of certain representations, interest on Series 2026 Certificates paid from the interest portion of the Base Rent (the “Interest Portion”) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such Interest Portion may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations assuming, and (b) the Interest Portion, and any profit made on the sale, exchange or other disposition of the Series 2026 Certificates, are exempt from Ohio personal income tax, the Ohio commercial activity tax, the net income base of the Ohio corporate franchise tax, and municipal, school district, and joint economic development district income taxes. Under certain circumstances, interest paid for periods following termination of the Lease by non-appropriation may not be excluded from gross income for federal income tax purposes. Bond Counsel expresses no opinion on the federal income tax or Ohio state or local income tax treatment of amounts paid to owners of the Series 2026 Certificates in the event of termination of the Lease by non-appropriation or as to any other tax consequences regarding the Series 2026 Certificates. See also “**SECURITY FOR THE CERTIFICATES – Non-appropriation.**”

An opinion to those effects will be included in the legal opinion. Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2026 Certificates.

The School District has **not** designated the Lease as a “qualified tax-exempt obligation” as defined in Section 265(b)(3) of the Code.

For tax years beginning after December 31, 2022, corporations that are classified as an “applicable corporation” (as defined in Section 59(k) of the Code) may be subject to an alternative minimum tax imposed under section 55 of the Code on their “adjusted financial statement income” (as defined in Section 56A of the Code) for such taxable year. Because interest on tax-exempt obligations, such as the Series 2026 Certificates, is included in an applicable corporation’s “adjusted financial statement income,” ownership of the Series 2026 Certificates could subject an applicable corporation to alternative minimum tax consequences.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants of the School District to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Interest Portion is and will remain excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance in order for the interest to be and to continue to be so excluded from the date of issuance and delivery. Noncompliance with these requirements by the School District may cause the Interest Portion to be subject to federal income taxation retroactively to the date of issuance of the Series 2026 Certificates. The School District has covenanted in the Lease to take the actions required of it for the Interest Portion to be and to remain excluded from gross income for

federal income tax purposes, and not to take any actions that would adversely affect that exclusion. Notwithstanding the previous sentence, in the event of termination of the Lease by non-appropriation, use of the Project Facilities in a manner that would cause the Lease, if such Project Facilities had originally been used in such manner, to constitute a “private activity bond” under Section 141 of the Code may prompt the Internal Revenue Service to take the position that the Interest Portion is subject to federal income taxation, retroactive to the date of signing and delivery.

Under Code provisions applicable only to certain corporations, the Interest Portion may be subject to a branch profits tax imposed on certain foreign corporations doing business in the United States and to a tax imposed on excess net passive income of certain S corporations.

Under the Code, the exclusion of the Interest Portion from gross income for federal income tax purposes can have certain adverse federal income tax consequences on items of income, deductions or credits for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income credit. The applicability and extent of these or other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2026 Certificates. Bond Counsel expresses no opinion regarding such consequences.

Purchasers of the Series 2026 Certificates at other than their original issuance at the respective prices indicated on the cover of this Offering Circular should consult their own tax advisers regarding other tax considerations such as the consequences of market discount.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Series 2026 Certificates. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2026 Certificates will not have an adverse effect on the tax status of the Interest Portion or other income on the Series 2026 Certificates or the market value or marketability of the Series 2026 Certificates. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Series 2026 Certificates from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, federal tax legislation that was enacted on December 22, 2017 reduced corporate tax rates, modified individual tax rates, eliminated many deductions, repealed the corporate alternative minimum tax that was in effect at that time, and eliminated the tax-exempt advance refunding of tax-exempt bonds and tax-advantaged bonds, among other things. Additionally, investors in the Series 2026 Certificates should be aware that future legislative actions might increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Series 2026 Certificates for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Series 2026 Certificates may be affected and the ability of holders to sell their Series 2026 Certificates in the secondary market may be reduced.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Original Issue Discount and Original Issue Premium

Certain of the Series 2026 Certificates may be sold to the public at a price of less than 100% of their face amount (the “Discount Certificates”). The following information, which has not been included in the opinion of Bond Counsel, may be helpful to prospective purchasers of the Discount Certificates.

Under present federal income tax law, original issue discount (*i.e.*, the difference between the issue price, as hereinafter defined, of a Discount Certificate and the stated redemption price at maturity of such Discount Certificate), is treated as accruing (“accreted”) over the term of such Discount Certificate. The issue price is the price at which a substantial amount of the Discount Certificates is sold to the public (excluding bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers). In general, the amount of original issue discount which is to be accreted in each “accretion period” will equal (i) the issue price of that Discount Certificate, increased by the amount of original issue discount which has been accreted in all prior accretion periods, multiplied by (ii) the initial offering yield of that Discount Certificate reflected on the Cover (determined on the basis of compounding at the close of each accretion period and properly adjusted for the length of the accretion period), minus the Interest Portion actually paid during such accretion period. For these purposes, “accretion period” means a six-month period (or shorter period from the date the Discount Certificate was issued) which ends on a day in the calendar year corresponding to the maturity date of that Discount Certificate or the date six months before such maturity date.

The amount of original issue discount so accreted in a particular accretion period will be considered to accrete ratably on each day of the accretion period. Such accreted amount is used for purposes of determining the adjusted basis for federal income tax purposes of the holder of such Discount Certificate but is not included in such holder’s gross income for federal income tax purposes. Consequently, a purchaser who buys a Discount Certificate in the initial offering at the issue price and holds such Discount Certificate to its maturity would not realize any gain or loss for federal income tax purposes upon payment of the stated redemption price of that Discount Certificate at maturity.

In addition, certain of the Series 2026 Certificates may be sold at issue prices greater than the principal amount payable at maturity or earlier call date (the “Premium Certificates”). The following information, which has not been included in the opinion of Bond Counsel, may be helpful to prospective purchasers of the Premium Certificates.

Premium Certificates will be considered to be issuable with amortizable certificate premium (the “Certificate Premium”). A taxpayer who acquires a Premium Certificate in the initial public offering will be required to adjust his or her basis in the Premium Certificate downward as a result of the amortization of the Certificate Premium, pursuant to Section 1016(a)(5) of the Code. The amount of amortizable Certificate Premium will be computed on the basis of the taxpayer’s yield to maturity with compounding at the end of each accrual period. Rules for determining (i) the amount of amortizable Certificate Premium and (ii) the amount amortizable in a particular year are set forth at Section 171(b) of the Code. No income tax deduction for the amount of amortizable Certificate Premium will be allowed to a holder pursuant in Section 171(a)(2) of the Code. The amortization of Certificate Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium Certificates. A purchaser of a Premium Certificate at its issue price in the initial public offering who holds that Premium Certificate to maturity will realize no gain or loss upon the retirement of such Premium Certificate.

PROSPECTIVE PURCHASERS OF THE DISCOUNT OR PREMIUM CERTIFICATES SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, SALE, TRANSFER, REDEMPTION, PAYMENT, OR OTHER DISPOSITION OF THE DISCOUNT OR PREMIUM BONDS, INCLUDING, WITHOUT LIMITATION, MODIFICATIONS TO THE METHOD FOR ACCRETING ORIGINAL ISSUE DISCOUNT OR AMORTIZING PREMIUM

FOR CERTAIN SUBSEQUENT PURCHASERS, AND INCLUDING THE EFFECT OF ANY APPLICABLE STATE OR LOCAL INCOME TAX LAWS.

UNDERWRITING

The Series 2026 Certificates are being purchased by Stifel, Nicolaus & Company, Incorporated (the Underwriter) at a price of \$_____ resulting in a gross underwriting spread of \$_____ from the public offering prices of the Certificates set forth on the Cover (the “Offering Prices”). In the Purchase Agreement among the School District, Underwriter and Trustee, the Underwriter has agreed to wire funds to the Trustee at closing for further distribution by the Trustee at closing to pay certain costs of issuance of the Series 2026 Certificates (\$_____). The Underwriter has provided the information in this Offering Circular pertaining to the Offering Prices and to the offering of the Certificates in the eighth paragraph of “**Regarding This Offering Circular.**” As noted in that paragraph, the Underwriter may offer and sell the Certificates to certain dealers (including dealers depositing into investment trusts) and others at prices lower than the Offering Prices. The Offering Prices may be changed after the initial offering by the Underwriter. The purchase of the Certificates by the Underwriter is subject to certain conditions and requires that the Underwriter will purchase all of the Certificates, if any are purchased.

MUNICIPAL ADVISOR

Bradley Payne, LLC (dba Bradley Payne Advisors) is serving as the municipal advisor to the School District in connection with the issuance and sale of the Certificates. The municipal advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Offering Circular. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading, or distributing municipal securities or other public securities.

TRANSCRIPT AND CLOSING CERTIFICATES

A complete transcript of proceedings and a certificate (described under “**LITIGATION**”) relating to litigation will be delivered by the School District when the Certificates are delivered by the School District to the Underwriter. The School District at that time will also provide to the Underwriter a certificate, signed by the School District officials who sign this Preliminary Offering Circular and addressed to the Underwriter, relating to the accuracy and completeness of this Preliminary Offering Circular.

CONTINUING DISCLOSURE AGREEMENT

In accordance with the Securities and Exchange Commission Rule 15c2-12 (the “Rule”) the School District will sign and deliver a Continuing Disclosure Certificate, dated as of the date of delivery of the Certificates, pursuant to which the School District will agree to provide or cause to be provided to the Municipal Securities Rulemaking Board such annual financial information and operating data, audited financial statements and notices of the occurrence of certain events in such manner as may be required for purposes of the Rule. See **Appendix F** for the proposed form of Continuing Disclosure Certificate. The School District’s failure to comply with any undertaking contained in the Continuing Disclosure Certificate will not constitute an event of default under the Series 2026 Certificates.

The foregoing annual information, operating data, financial statement and notices can be obtained from the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (EMMA) website at <http://emma.msrb.org>.

Continuing Disclosure Compliance

Rule 15c2-12 (the “Rule”), promulgated by the Securities and Exchange Commission, requires continuing disclosure with respect to new offerings of municipal securities of \$1,000,000 or more. The

School District is obligated to provide such continuing disclosure with respect to one or more previously issued and currently outstanding bond, note or certificates of participation issues by filing certain information and notices on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) website. The School District is currently in compliance with all existing continuing disclosure agreements in all material respects and has implemented procedures to remedy the oversights described below and ensure compliance with its annual disclosure obligations in the future. The School District was late in the filings of the Annual Financial Report for the fiscal years ending June 30, 2023, June 30, 2024, and June 30, 2025. These omissions were corrected with the filing of the Report and notices filed with EMMA on March 19, 2024, April 1, 2025, and April 16, 2026, respectively. In addition, the School District provided the incorrect financial forecast in its Annual Financial Report for the Fiscal Year ended June 30, 2021. The correct forecast was supplied in an updated Report filed along with a notice on EMMA on March 31, 2022. In addition, the School District did not provide its audited financial statements for the fiscal year ending June 30, 2025, for the CUSIPs associated with its School Facilities Construction and Improvement Unlimited Tax Refunding Bonds, Series 2014, although the audited financial statements were timely provided on the CUSIPs associated with the School District's other outstanding obligations. This omission with respect to the Series 2014 Bonds was corrected with the filing of the audited financial statements and a notice filed with EMMA on the applicable CUSIPs on October 5, 2026. In addition, Fitch Ratings upgraded the programmatic rating of the Ohio School District Credit Enhancement Program from "AA" to "AA+" on September 8, 2022, which programmatic rating applied to the School District's (a) School Facilities Construction and Improvement Unlimited Tax Refunding Bonds, Series 2013A, and (b) School Facilities Construction and Improvement Unlimited Tax Refunding Bonds, Series 2014. The School District did not timely file notice of the rating upgrade with respect to the Series 2014 Bonds and did not provide notice of the upgrade with respect to the Series 2013A Bonds. A late notice for the Series 2014 Bonds rating upgrade filing was filed on EMMA on October 5, 2026.

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CONCLUDING STATEMENT

To the extent that any statements made in this Preliminary Offering Circular involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of those statements have been or will be realized. Information in this Preliminary Offering Circular has been derived by the School District from official and other sources and is believed by the School District to be accurate and reliable. Information other than that obtained from official records of the School District has not been independently confirmed or verified by the District and its accuracy is not guaranteed.

Neither this Preliminary Offering Circular nor any statement that may have been or that may be made orally or in writing is to be construed as or as part of a contract with the original purchasers or subsequent holders or Beneficial Owners of the Certificates.

This Preliminary Offering Circular has been prepared and delivered by the School District and signed for and on behalf of the Board of Education and the School District by the officials identified below.

DAYTON CITY SCHOOL DISTRICT

By: _____
President, Board of Education

By: _____
Treasurer, Board of Education

Appendix A

DAYTON CITY SCHOOL DISTRICT

General Information

The Dayton City School District (the “School District”) is located in Montgomery County (the “County”) approximately 68 miles west of the City of Columbus and 52 miles north of the City of Cincinnati. The territory of the School District consists of a portion of two townships: Harrison and Jefferson, as well as portions of the City of Dayton (the “City”), the City of Riverside, and the City of Trotwood. The School District’s total area is approximately 49 square miles.

The Dayton City School District provides education to 12,936 students in grades preschool through 12 as of August 13, 2026. The District currently operates 29 school/program locations. Enrollment figures are based on the District’s August 13, 2026 building-and-grade enrollment report. See also “**Appendix A – Organization of the School District**”

Map of Geographic Area



The School District is an independent political subdivision of the State of Ohio and operates subject to the provisions of the Ohio Constitution and various sections of the Revised Code. Under such laws, there is no authority for the School District to have a charter or adopt local laws. The School District is not a part of, or under the control of, the City.

According to information supplied by the Ohio Municipal Advisory Council (“OMAC”), the School District contains portions of the assessed valuation of other subdivisions, as shown below:

Overlapping Governmental Entities
Dayton City School District

Subdivision	Subdivision's Assessed Valuation within the School District	School District's Assessed Valuation within the Subdivision ^{5*}
<i>County</i>		
Montgomery County	14.27%	100%
<i>Other Subdivisions</i>		
City of Dayton	83.19%	83.56%
City of Riverside	12.71	2.37
City of Trotwood	15.63	2.74
Harrison Township	64.40	11.08
Jefferson Township	4.00	0.25

Source: OMAC as of August 13, 2026

Each of these entities operates independently under and is governed by Ohio law with its own budget, tax rate and sources of revenue.

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⁵ Figures may not sum to 100% due to rounding.

Organization of the School District

The School District organization* for the 2026-27 school year is as follows:

Type of School / Program	Grade Band	Enrollment	Locations
Early Learning	PreK	184	1
Elementary / K-8 academies	Primarily K-6/K-8	6,891	16
Middle schools	Middle grades	1,234	3
High schools / career technology	Primarily 9-12	3,391	5
Stivers School for the Arts	7-12	819	1
Dayton Digital Academy	7-12	287	1
Alternative / academy programs	Secondary/alternative	130	2
TOTAL		12,936	29

*Enrollment Numbers Provided by School District reflect August 13, 2026, headcount

The administrative staff consists in part of the Superintendent; Treasurer; Assistant Treasurer; Associate Superintendent; Chief of Payroll; Chief of Schools, Secondary; Chief of Schools, Elementary; Chief of Office for Exceptional Children; Business Manager of Operation; Chief of Safety and Security and 29 full-time Principals.

The School District employs 1,213 certificated personnel, including principals.

The School District employs 1,438 non-certificated staff including food service, secretarial, transportation, custodial, maintenance and educational aides.

During the 2025-2026 School Year, the School District provided 1,534,734 school lunches.

Support Services

Support Services available include the professional services of School Psychologists, Nurses, Speech and Hearing Therapists, Elementary and Secondary Guidance and Counseling Services, Title I, Ohio Reads, Athletic Director, Assistant Principals at the High School, Preschool Program, School Connectivity Programs, Title II, Title IID1, Title III, and Title V and various other grants to support the educational programs. The School District serves the needs of physically and mentally handicapped resident students who attend programs both inside and outside the School District. Programs are designed for children with development and behavioral, orthopedic and multiple handicaps, for students with learning disabilities, and for students with speech and language therapy, as well as all other programs required by federal and State mandates.

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Population

Population statistics for the City of Dayton and the County are as follows:

<u>Year</u>	<u>City of Dayton</u>		<u>Montgomery County</u>	
	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>
2015	141,368	--%	533,763	--%
2016	141,143	(0.16)	532,761	(0.19)
2017	140,371	(0.55)	531,542	(0.23)
2018	140,782	0.29	532,034	0.09
2019	140,569	(0.15)	531,670	(0.07)
2020	140,444	(0.09)	531,988	0.06
2021	138,416	(1.44)	536,136	0.78
2022	137,305	(0.80)	536,121	0.00
2023	136,741	(0.41)	535,528	(0.11)
2024	136,579	(0.12)	536,096	0.11

Source: OMAC, U.S. Bureau of the Census.

According to the OMAC, the U.S. Bureau of the Census estimated 2024 population of the School District is 146,464.

Employment Statistics

Employment statistics for the School District are not available; however, civilian labor force statistics for the County, as well as State and national figures, are as follows:

<u>Montgomery County</u>			
	<u>Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>
2019	257,000	246,300	10,700
2020	254,100	232,400	21,700
2021	250,800	236,600	14,200
2022	249,300	239,200	10,100
2023	253,100	243,300	9,800
2024	257,800	245,900	12,000
2025	259,200	246,200	13,100

<u>Average Unemployment Rates</u>			
	<u>County</u>	<u>State</u>	<u>U.S.</u>
2019	4.2%	4.1%	3.7%
2020	8.5	8.2	8.1
2021	5.7	5.3	5.3
2022	4.0	4.0	3.6
2023	3.9	3.7	3.6
2024	4.6	4.4	4.0
2025	5.0	4.6	4.3

Source: Ohio Department of Job and Family Services – Not seasonally adjusted

Major Employers

The following table lists the largest Dayton Area employers as of July 6, 2026:

<u>Rank</u>	<u>Firm</u>	<u>Number of Employees</u>	<u>Industry</u>
1	Wright-Patterson Air Force Base*	38,000	U.S. Air Force base
2	Premier Health	14608	Healthcare system
3	Kettering Health	13510	Healthcare system
4	UC Health West Chester Hospital	12000	Full-service hospital and healthcare provider
5	Miami Valley Hospital	10605	Healthcare provider
6	Dayton Children's Hospital	4948	Children's hospital
7	Miami University	3466	Public university
8	University of Dayton	2955	A private Catholic, Marianist university.
9	Honda Development & Manufacturing of America LLC	2900	Manufacturer for the automotive industry
10	Sinclair Community College	2427	Community college
11	Mercy Health Springfield	2425	Healthcare system
12	CareSource Ohio Inc.	2240	Nonprofit managed care organization
13	Dayton Public Schools	2105	PreK-12 school district
14	City of Dayton	1919	Local government
15	City of Dayton	1919	Local government
16	City of Dayton	1919	Local government
17	Atrium Medical Center	1894	Healthcare provider
18	Wright State University	1630	Public university
19	Wright Patt Credit Union Inc.	1388	Credit union
20	Upper Valley Medical Center	1381	Healthcare provider
21	Copeland	1287	Heating, cooling, and refrigeration solutions
22	Midmark Corp.	1140	Manufacturer for the medical, dental and veterinary industries
23	Midmark Corp.	1140	Manufacturer for the medical, dental and veterinary industries
24	Midmark Corp.	1140	Manufacturer for the medical, dental and veterinary industries
25	Midmark Corp.	1140	Manufacturer for the medical, dental and veterinary industries
26	Midmark Corp.	1140	Manufacturer for the medical, dental and veterinary industries
27	Goodwill Easterseals Miami Valley	1020	Nonprofit
28	Airstream Inc.	1000	Manufacturer of airstream travel trailers and touring coaches
29	Airstream Inc.	1000	Manufacturer of airstream travel trailers and touring coaches
30	Airstream Inc.	1000	Manufacturer of airstream travel trailers and touring coaches
30	AES Ohio	900	Electric service provider
32	NK Parts Industries	900	Global supply chain and logistics management company
33	NK Parts Industries	900	Global supply chain and logistics management company
34	Graceworks Lutheran Services	854	Nonprofit supporting older adults
35	Henny Penny	845	Food service equipment manufacturer
36	Accelelevation LLC	749	Infrastructure manufacturer
37	Konecranes Inc.	730	Craning and industrial equipment
38	Winsupply Inc.	706	Organization of wholesale distributors
39	Cedarville University	685	Christ-centered, baptist university
40	Dayton Freight Lines Inc.	622	For-hire trucking
41	Dayton Freight Lines Inc.	622	For-hire trucking
42	The LTM Group	600	Home health, hospice and private duty care provider
43	Bethany Village	592	Senior living community
44	Bethany Village	592	Senior living community
45	City of Springfield	561	Local government
46	City of Springfield	561	Local government
47	Wilson Health - Wilson Memorial Hospital	547	Independent community hospital and health system, physician medical group
48	ESI Inc.	540	Electrical contractor
49	Northmont City Schools Auditorium	500	Public school district PreK, K-12
50	Voss Auto Network	476	Automotive dealerships

Source: *Dayton Business Journal*

* Wright Patterson Employee data provided by City of Dayton ACFR as of 2024

ORGANIZATION AND OFFICIALS OF THE BOARD OF EDUCATION

The Board of Education is a body politic and corporate and, as such, can be sued and can sue, can enter into contracts and can be contracted with, can acquire, hold, possess and dispose of real and personal property, and take and hold in trust for the use and benefit of the School District, any grant or devise of land, and any donation or bequest of money or other personal property. It is comprised of five members who are elected for overlapping four-year terms.

The Board of Education is charged with the duties and responsibilities of managing the affairs of the School District pursuant to the laws governing public education in Ohio. The Board of Education directly employs the Superintendent and Treasurer. The Board of Education serves as the legislative body of the School District.

The Treasurer is appointed for a term not longer than five years and serves as the fiscal officer of the Board of Education and, with the president of the Board of Education, executes all conveyances made by the Board of Education.

The Superintendent is appointed for a term not longer than five years and is the executive officer of the Board of Education. The Superintendent is responsible for administering Board-adopted policies, is expected to provide leadership in all phases of policy formulation and is the chief advisor to the Board of Education on all aspects of the educational program and total operation of schools in the School District.

The Board of Education employs all certified employees and classified employees upon the recommendation of the Superintendent.

School District Officials Dayton City School District

Official	Office	Expiration of Current Term	Beginning of Tenure
William Bailey, Ph.D.	President	12/31/2028	2024
Joseph Lacey	Vice President	12/31/2030	2026
Eric Walker	Parliamentarian	12/31/2028	2018
Chrisondra Goodwine, J.D.	Member	12/31/2030	2026
William Smith	Member	12/31/2028	2024
Jocelyn Spencer Rhynard	Member	12/31/2030	2018
Jamica Garrison	Member	12/31/2030	2026
David Lawrence, Ph.D	Superintendent	Contract	2024
Hiwot Abraha	Treasurer/CFO	Contract	2016

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Enrollment

The following enrollment data is for school years 2021 through 2027 are shown below.

Actual and Projected Enrollment Dayton City School District

Grade	2021-22*	2022-23*	2023-24**	2024-2025**	2025-26**	2026-27***
K	849	836	877	934	965	535
1	795	829	916	967	940	983
2	784	802	921	930	939	955
3	818	814	824	983	983	972
4	780	776	824	869	940	983
5	825	785	839	861	865	963
6	811	835	807	863	841	882
7	734	823	833	784	772	887
8	742	855	800	863	754	781
9	1,488	1,124	1,414	1,332	1,332	794
10	876	786	1,068	1,102	1,057	1,225
11	845	642	828	894	904	1,058
12	711	703	704	705	817	905
Totals	11,058	10,610	10,338	12,087	12,109	11,923

Source: Hanover Research, School District

Actual and Projected enrollment figures provided in the above table do not include Pre-K students.

*Actual enrollment figures provided by the School District

**Fiscal Year 2024 figures provided by Ohio Department of Education – Fall Enrollment October 2023

*** Projected enrollment figures based on Hanover Research projections performed in July 2020.

Certain additional statistical information concerning enrollment and pupil based financial metrics in the School District is as follows:

Metric	District Value
Enrolled ADM	12,167.41^
Average classroom teacher salary	\$69,100.92^^
FTE administrators	202.1
Average administrator salary	\$77,072.66*
Total operating expenditure / pupil	\$22,857.71*
Instructional expenditure / pupil	\$10,845.53*
Building operation expenditure / pupil	\$5,979.13*
Administration expenditure / pupil	\$3,455.02*
Pupil support expenditure / pupil	\$1,844.92*
Staff support expenditure / pupil	\$733.12*
Assessed valuation / pupil	\$167,244.05**
State revenue / pupil	\$11,343.03 (50.61%)
Local revenue / pupil	\$5,897.06 (26.31%)*
Other non-tax revenue / pupil	\$1,185.51 (5.29%)*
Federal revenue / pupil	\$3,988.09 (17.79%)*
Total revenue / pupil	\$22,413.70*

* Numbers reflect FY 2025

** Based on Tax Year 2024 Valuation and FY 2025 enrollment basis

^Number based on Ohio Department of Education and Workforce measure, not based on District Student headcount as of 8/13/2026

^^ Number does not reflect District Salary Schedule; based on Ohio Department of Education and Workforce personnel metric

Source: Ohio Department of Education and Workforce (District Profile)

Existing School Facilities

The School District presently operates the following schools:

Current School District Facilities Dayton City School District

Current School District Facilities — Dayton Public Schools							
Name of Building	Group/Grades Housed	Enrollment (9/1/2026)	Capacity	Number of Teachers	Pupil/Teacher Ratio	Year Building Completed	Year(s) of Additions/Renovations
Belle Haven Elementary	K-7	461	473	30	15.4	2006	n/a
Belmont High School	9-12	895	945	67	13.4	2011	n/a
Charity Adams Earley Girls Academy	K-8	384	464	26	14.8	1958	2011
Cleveland Elementary	K-7	409	473	27	15.1	2006	n/a
David H. Ponitz Career Tech. Center	9-12	842	800	56	15	2009	n/a
Roosevelt Elementary School	K-6	397	473	25	15.9	2010	n/a
Dunbar High School	9-12	506	645	40	12.7	2009	n/a
Eastmont Elementary	PK-6	399	473	29	13.8	2011	n/a
Edison Elementary	K-6	345	473	26	13.3	2010	n/a
E.J. Brown Middle School	6-8	362	473	31	11.7	2009	n/a
Fairview Elementary	K-5	422	473	30	14.1	2011	n/a
Horace Mann Elementary	K-7	396	473	24	16.5	2008	n/a
Jackson Center	7-12 / Online	313	473	22	18.5	1985	n/a
Kemp Elementary	PK-5	468	473	25	18.7	2008	n/a
Kiser Elementary	K-6	591	473	37	16	2006	n/a
Louise Troy Elementary	K-5	252	473	22	11.5	2008	n/a
Meadowdale High School	9-12	508	645	42	12.1	2010	n/a
River's Edge Montessori	PK-8	605	550	34	17.8	2011	n/a
Rosa Parks Early Learning Center	PK	235	473	21	11.2	2007	n/a
Ruskin Elementary	K-6	440	575	33	13.3	2008	n/a
Stivers School for the Arts	7-12	811	998	53	15.3	2008	n/a
Thurgood Marshall STEM School	9-12	542	645	48	11.3	2008	n/a
Valerie Elementary	K-7	582	550	36	16.2	2011	n/a
Westwood Elementary	K-6	278	473	23	12.1	2008	n/a
Wogaman Middle School	6-8	328	473	32	10.3	2006	n/a
Wright Brothers Middle School	6-8	467	550	30	15.6	2012	n/a
International School @ Residence Park	K-8	288	473	24	12	2010	n/a
Total		12,526					

Source: School District

State Performance Standards

The Department issues annual report cards for traditional K-12 school districts and each of their individual buildings, including STEM and community schools, other than dropout and recovery schools. Beginning with the report cards for the 2021-22 school year, the report cards will assign one to five stars (including half stars) to the school districts and their individual schools on up to six categories of performance components (the sixth component on college, career, workforce and military readiness will be reported but not graded for at least three years through 2023-24). The performance components include achievement, progress, gap closing, graduation, early literacy, and college, career, workforce and military readiness. An overall performance rating for school districts will not begin until the report card for the 2025-26 school year. The School District's most recent report card and information about the State's report card methodology and related phase-ins more generally can be obtained from the Department at <http://reportcard.education.ohio.gov/>.

Employee Relations

In Fiscal Year 2026, the School District employed the equivalent of 1,213 full-time certificated and 1,438 non-certificated employees for a total of 2,651 full-time equivalent employees (excluding substitute teachers and substitute non-teaching personnel). In Fiscal Year 2026, the School District paid \$148,343,511 in salaries and wages to these employees and \$75,353,965 for fringe benefits such as employer retirement contributions.

Other fringe benefits include workers' compensation insurance coverage, unemployment compensation, paid leaves, severance pay and medical, dental and life insurance premiums. Of the School District's current employees, 1,213 are professionals (certified by the State Department of Education) serving as classroom teachers, education specialists and administrators, all of whom have at least a bachelor's degree. The starting salary for a teacher with a bachelor's degree for the period beginning August 1, 2025, is \$53,339 and the 2025-2026 school year maximum teacher salary for a teacher with a Ph.D. Degree is \$98,485.

A contract between the School District and Dayton Education Association ("DEA") runs from July 1, 2025 through June 30, 2027. Negotiations for a new contract are expected to begin in February or March of 2027. Historically, the Board of Education and the DEA have agreed to labor contracts of a five-year duration. Current DEA employees received a 3.0% base salary increase effective July 1, 2026, and a step increase, if the employee is not at the top step of the salary schedule.

The non-professional employees are represented by the Ohio Association of Public School Employees. The non-professional employees contract that began on July 1, 2023 expired on June 30, 2026. Employees received a 3.0% base salary increase effective July 1, 2026, and a step increase, if the employee is not at the top salary step over the course of the contract period. A new contract is currently in negotiations with hopes of entering into a new multi-year contract with a step increase and a one to one and one-half percent base salary increase.

The School District has not experienced any work stoppages. In the opinion of the Board of Education, labor relations with its employees are currently going well.

FINANCIAL MATTERS

Introduction

The Board of Education's fiscal year corresponds with the July 1 to June 30 school year. The levy and collection of taxes are made on a calendar year basis.

The responsibilities for the major financial functions of the School District are divided between the Board of Education and the Treasurer.

The Treasurer is the fiscal officer of the Board of Education, its fiscal and chief accounting officer, and serves the Board of Education as financial advisor. The Treasurer keeps the accounts of the Board of Education and is responsible for accurate statements of all moneys received and expended and of all taxes. At the end of each fiscal year, the Treasurer must examine the accounts of all offices and departments of the Board of Education. The Treasurer is not to allow the amount set aside for any appropriation to be overdrawn, or the amount appropriated for any one item of expense to be drawn upon for any other purpose, or allow a voucher to be paid unless sufficient funds are in the treasury of the Board of Education to the credit of the fund upon which such voucher is drawn.

Other important financial functions relating to the School District include:

- (a) General financial recommendations and planning, and budget and annual appropriation preparation by the Treasurer and the Superintendent;
- (b) Express approval of all budgeting and appropriations of moneys by the Board of Education;
- (c) Examinations of accounts by the Auditor of the State, which by law is required to inspect and supervise the accounts and reports of the offices of each taxing district or public institution of the State, including the Board of Education;
- (d) Assessment of real property by the County Auditor, who is elected at large within the County, subject to supervision by the Ohio Tax Commissioner (the "Tax Commissioner") who is appointed by the Governor and confirmed by the Ohio General Assembly;
- (e) Assessment of public utility property and tangible personal property by the Tax Commissioner; and
- (f) Billing and collection of property taxes and assessments by the County Treasurer, who is elected at large within the County.

Budgeting, Tax Levy and Appropriations Procedures

Detailed provisions for budgeting by the Board of Education, tax levies and appropriations are made in the Revised Code.

In general, the budgetary process begins six months or more before the start of the fiscal year for which the budget is to be adopted, and involves review by County officials at several stages. Significant steps in the budgetary process are summarized as follows:

1. On or before January 15 of each year, the School District administration prepares, and, after a public hearing, the Board of Education adopts, a tax budget for the succeeding fiscal year. The tax budget must show estimated receipts and expenditures and indicate the amount of ad valorem property taxes, both inside and outside the ten-mill limitation, as hereinafter described, that must be levied in such fiscal year.
2. The proposed tax budget is filed with the County Auditor on or before January 20 of each year, who presents it to the County Budget Commission, which is comprised of the County Auditor, County Treasurer, and County Prosecuting Attorney. On or before March 1 of each year, the County Budget Commission reviews the tax budget, makes any necessary changes in the amount of ad valorem property taxes to be levied, and in particular ascertains that sufficient ad valorem property taxes are to be levied, both inside and outside the ten-mill limitation, to pay all debt charges.

3. The County Budget Commission then certifies the results of its review to the Board of Education. Before April 1 of each year, the Board of Education approves the tax levies as determined by the County Budget Commission and certifies them to the appropriate County officials, who bill and collect the ad valorem property taxes as approved. Real property taxes are payable in two installments, the first usually in February and the second in July.

4. No later than October 1 of each year, the Board of Education adopts an annual appropriation resolution for the current fiscal year, which may not contain amounts in excess of those approved by the County Budget Commission. The annual appropriation resolution is certified to the County Auditor, who must certify that the amounts appropriated do not exceed current estimated receipts. Temporary appropriation measures may be enacted pending adoption of the annual appropriation resolution.

In addition to the procedure discussed above, Ohio law provides for amendments to the amounts certified by the County Budget Commission, and for supplemental appropriation measures by the Board of Education to reflect changes in the amounts of estimated receipts and expenditures of the School District as the fiscal year progresses.

Financial Reports and Examinations of Accounts

The Board of Education maintains the School District's accounts, appropriations and other fiscal records in accordance with the procedure established and prescribed by the Ohio Auditor of State's Office. The Ohio Auditor of State's Office is charged by Ohio law with responsibility for inspecting and supervising the accounts and reports of all taxing districts and public institutions in the State, including the School District. The most recent examination of the School District by the Ohio Auditor of State's Office was completed through June 30, 2025. See the Audit attached hereto as **Appendix C**.

The Board of Education does not retain independent public accountants to audit the School District's financial records and reports.

The School District's receipts and expenditures are compiled in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles provide, among other things, for (i) the use of the modified accrual basis of accounting with respect to revenue and expenditures of "governmental funds" (e.g. the general fund, debt service fund, and special revenue funds) and certain trust and agency funds; (ii) a full accrual basis of accounting for revenues and expenditures of proprietary funds (e.g. utility funds) and certain other trust funds; and (iii) recognition of interfund transfers in the accounting period during which the interfund receivable and payables arise.

Financial Forecast

Boards of education are required to submit a financial projection of operational revenues and expenditures (previously known as the "five year forecast" and now, the "Financial Forecast") according to Department rules. Amended Substitute House Bill 96 ("HB 96"), the State's biennial budget bill, eliminated the requirement that each school district annually submit five-year projections of operational revenue and expenses and, instead, requires them to submit appropriations, revenue, and fund balance assumptions contained in the district's budget for that year, in addition to projections of expenditures, revenues, and fund balances for the three succeeding fiscal years. Each district must submit this information by August 31 of each fiscal year and updated information and projections by the last day of February. For FY 2026, districts must make the initial submission by October 15, 2025. Pursuant to this new process, the Treasurer submitted a Financial Forecast to the Ohio Department of Education and Workforce on August 21, 2026, a copy of which is attached hereto as **Appendix B**.

Investment Policies of the Board of Education

The Dayton City Schools Board of Education invests in United States Treasury obligations and eligible guaranteed obligations of the United States, the State Treasury Asset Reserve of Ohio investment pool (STAROhio), certificates of deposit, repurchase agreements, “sweep” accounts, mutual funds which are invested exclusively in United States Treasury obligations, and federal agency securities. All investments comply with the limitations with respect to length of maturities contained in Chapter 135 of the Revised Code (the Uniform Depository Act). The Board of Education interprets the limits on Federal guaranteed investments and all other legal investments conservatively. The School District has never owned any derivative investments, interest only investments or reverse repurchase agreements. All investments are transacted with financial institutions, believed to be reputable, operating in the State of Ohio that are well versed in the statutory restrictions Ohio political subdivisions operate under and also have an understanding of the Board of Education’s investment requirements.

The Board of Education pools the School District’s cash for investment purposes. The investment income from the STAROhio account shall be paid to the General Fund of the School District. The investment income from the interest bearing general checking account shall be paid to the General Fund of the School District , except for the distribution of interest to the current Auxiliary Services Fund(s), the School Food Service (Lunch Room) Fund, and any grants or projects requiring an interest distribution. (This distribution shall be based on the month end balance of the fund and the average rate earned on the account for the month.) Interest earned from the interest bearing payroll clearance account shall be paid to the General Fund of the School District. Investment income from the separate and specific investment of 007 Special Trust Funds and 008 Endowment Funds shall be paid to the appropriate trust or endowment fund. If there is a circumstance not covered by this policy the Board of Education shall determine the appropriate distribution of the investment income. Interest earned by the School District in Fiscal Year 2025 totaled \$10,895,165 for all fund types.

Insurance

The School District maintains comprehensive insurance coverage with private carriers for real property, building contents, general liability and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are insured by blanket coverage in the amount of \$200,000,000 replacement cost. The general liability coverage provides for \$5,000,000 coverage per occurrence, \$5,000,000 aggregate coverage.

As a general rule, Ohio law provides that political subdivisions such as the School District have an immunity from liability in damages for injury, death, or loss to persons or property allegedly caused by an act or omission of such political subdivisions or their employees in connection with governmental and proprietary functions, as defined in the Ohio statutes. The statutes have no effect on any liability imposed by federal law or other federal cause of action. Pursuant to Ohio law, there are, however, five areas in which a political subdivision may be held liable for such loss. These include the negligent operation of a motor vehicle on public roads, highways or streets; negligent performance of proprietary functions; failure to keep public roads, highways, streets, sidewalks, bridges or public grounds open, in repair, and free from nuisance; negligence of employees within or upon the grounds of buildings used in the performance of governmental functions, excluding jails, juvenile detention workhouses and other detention facilities; and liability specifically imposed by statute. Ohio law also imposes a two-year statute of limitations and puts limits on the damages which may be recovered from such political subdivisions. No punitive or exemplary damages can be recovered, and any insurance benefits are deducted from any award against a political subdivision. Although there is no limitation with respect to compensatory damages representing a person’s economic loss, there is a \$250,000 per person ceiling on the compensatory damage that represents a person’s non-economic loss in cases other than wrongful death, in which case there is no maximum limitation.

Cyber-Security Insurance

The School District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations and faces multiple cybersecurity threats, including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and other digital networks and systems (collectively, “Systems Technology”). As a recipient and provider of personal, private, or sensitive information, the School District may be the target of cybersecurity incidents that could result in adverse consequences to the School District and its Systems Technology, requiring action to mitigate the consequences.

Cybersecurity incidents could result from unintentional events or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the School District's Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage. To mitigate the risk of operations impact and/or damage from cybersecurity incidents or cyber-attacks, the School District invests in insurance and cybersecurity and operational safeguards. While School District cybersecurity and operational safeguards are periodically tested, no assurances can be given by the School District that such measures will ensure against cybersecurity threats and attacks, and any breach could damage the School District's Systems Technology and cause material disruption to the School District's finances or operations.

The costs of remedying any such damage or protecting against future attacks could be substantial. Furthermore, cybersecurity breaches could expose the School District to material litigation and other legal risks, which could cause the School District to incur material costs. In the event of a Systems Technology breach, the School District has instituted a cyber-security policy.

AD VALOREM TAX REVENUES

Ad Valorem Tax Base

During 2026, the County experienced the statutory sexennial reappraisal of real property, whereby the true value of real property was adjusted to reflect current market values. Ohio law requires that the County Auditor reassess real property at any time he finds that the true or taxable value thereof has changed, and in the third calendar year following the year in which a sexennial reappraisal is completed if ordered by the State Tax Commissioner (the “Tax Commissioner”).

Ohio law requires that taxable real property be assessed at not more than 35% of its true value except that taxable real property devoted exclusively to agricultural use is to be assessed at not more than 35% of its current agricultural use value as determined by the County Auditor in accordance with rules adopted by the Tax Commissioner. The assessment ratio has been fixed at 35% under existing rules of the Tax Commissioner. Any taxable real property which the owner thereof, under rules and regulations promulgated by the Chief of the State Division of Forestry, declares is devoted exclusively to forestry or timber growing is taxed at 50% of the local tax rate upon its true value.

Significant changes to property tax reform were debated during 2025, and several substantial changes were adopted impacting how property taxes are approved, calculated and collected in Ohio. HB 96 included several provisions relating to property taxes. These included prohibiting city, local, or exempted village school districts from (1) placing a new current expense levy on the ballot if their general fund carryover balance in the preceding fiscal year is 100% or more of their general fund expenditures in the preceding fiscal year; (2) renewing a property tax levy with an increase in taxes (standard renewals and renewals with a decrease in taxes are both still permitted); and (3) all variations of replacement levies, which were also eliminated for all other local governments. All three provisions in HB 96 were vetoed by Governor DeWine, but the legislature overrode those vetoes.

Additionally, following several other property tax-related vetoes in HB 96, Governor DeWine created a Property Tax Reform Working Group to thoroughly examine issues related to how to provide meaningful property tax relief to homeowners and businesses while ensuring that funding for local schools, fire, police, EMS, libraries, and developmental disabilities is adequate. The Property Tax Reform Working Group issued its final recommendation on September 30, 2025. The report is available here: https://content.govdelivery.com/attachments/OHIOGOVERNOR/2025/09/30/file_attachments/3405420/FINAL%20Property%20Tax%20Report.pdf.

The Ohio General Assembly then addressed several of the recommendations and other property tax reform issues in a series of bills passed in December 2025. Below is a summary of the five bills that were adopted and become effective on March 20, 2026, impacting property taxes:

- Amended House Bill 124 (“HB 124”) – Modified the process for property tax sales-assessment ration studies by shifting responsibility and authority to county auditors and away from the Ohio Department of Taxation
- Substitute House Bill 129 (“HB 129”) – Beginning in tax year 2026 (collection year 2027), fixed-sum emergency levies and substitute levies are to be included in the 20-mill floor calculation with the first tax year that a sexennial reappraisal or triennial update goes into effect, but allows school districts to renew existing and term-limited substitute levies as fixed-sum levies for five-year terms with further renewal also permitted, and permitting certain school districts in disaster of fiscal distress situations to propose new emergency levies
- Substitute House Bill 186 (“HB 186”) – Eliminating the 10% non-business residential property tax rollback, phased out over four years through tax year 2029; increasing the 2.5% owner-occupancy rollback to 15.38% over four years through tax year 2029 (but eliminating the rollback for residential property that is leased to renters or not otherwise used as the owner’s primary residence); for both changes to the rollback, the State will continue to reimburse local governments and schools for the revenue lost from the rollbacks; caps property tax growth at the 20-mill floor using inflation (GDP deflator) and provides a retroactive tax credit for taxpayers in counties that a sexennial reappraisal or triennial update in tax years 2023 and 2024, but guarantees that school districts impacted by this tax credit receive the same amount of property taxes that they received and does not adjust the School Foundation Program funding formula to account for the reduction in property tax revenue
- Substitute House Bill 309 (“HB 309”) – Grants authority to county budget commissioners the amount or rate of a tax levy (other than bond levies) if the commission determines the reduction is necessary to avoid “unnecessary” or “excessive” collections”, as those terms are defined in HB 309, but limits any reduction to what was collected in the previous year and protects voter approved levies from reduction during the first year of collection
- Substitute House Bill 335 (“HB 335”) – Beginning in tax year 2026, except for new real property added to the tax duplicate, in a county’s reappraisal or triennial update year, requires the county budget commission to adjust the rate of each inside millage levy to limit any increase in revenue received from the levy to GDP deflator growth over the three previous years, or, if an increase is less than the GDP deflator but greater than the previous year, requires the receiving taxing unit to adopt legislation demonstrating the higher rate, with the commission having the authority to approve, partially approve, or deny request

While the tax reductions referenced above and described in the summary of HB 186 may not affect the determination of the principal amount of notes that may be issued in anticipation of any tax levies or the amount of notes or bonds for any planned improvements, if funds for the payment of debt service charges on notes or bonds payable from taxes so reduced are insufficient for such purpose, then the

reduction of taxes is adjusted to the extent necessary to provide sufficient funds from real property taxes for the payment of such debt charges.

Failure of the County Auditor to supply to the Tax Commissioner the information required to determine the Tax Reduction Factor may result in substantial withholding of State revenues to the local government until such time as the County Auditor supplies such information.

A corporation with taxable property in more than one county must also make, directly to the Tax Commissioner, a single combined return, listing all taxable property. Distribution of the funds so generated is normally made by the Tax Commissioner to the respective county auditors during the last quarter of each calendar year.

Changes to Assessed Valuation

The Ohio General Assembly has exercised from time to time its power to revise Ohio law applicable to the determination of assessed valuation of property subject to ad valorem taxation and the amount of tax proceeds produced by ad valorem taxation against such property, as evidenced by the replacement of the tangible personal property tax with a portion of the revenues from the CAT tax. It is anticipated that the General Assembly will continue to make similar revisions.

Assessed Valuation of the School District

The total assessed valuation of property within the School District subject to levy of ad valorem taxes in Tax Year 2024 (Collection Year 2025) is \$2,034,927,380

The following table shows the School District's historic assessed valuation for Montgomery County only for the past eight years:

ASSESSED VALUATION

<u>Tax Year</u>	<u>Collection Year</u>	<u>Real^(a)</u>	<u>Utility^(b)</u>	<u>Total Assessed Valuation</u>
2015	2016	\$1,322,350,390	\$96,310,250	\$1,418,660,640
2016	2017	1,320,040,540	103,127,550	1,423,168,090
2017 ^(d)	2018	1,315,728,570	107,217,990	1,422,946,560
2018	2019	1,315,713,980	114,911,280	1,430,625,260
2019	2020	1,329,920,930	123,964,650	1,453,885,580
2020 ^(c)	2021	1,460,736,260	129,085,170	1,589,821,430
2021	2022	1,472,760,300	135,570,280	1,608,330,580
2022	2023	1,493,752,690	145,150,710	1,638,903,400
2023 ^(d)	2024	1,858,302,200	165,753,950	2,024,056,150
2024	2025	1,847,395,570	487,531,810	2,034,927,380

(a) Other than public utility

(b) Real and tangible personal

(c) Sexennial Reappraisal

(d) Triennial Update

Source: Montgomery Co. Auditor

Largest Taxpayers

The fifteen largest taxpayers within the School District for Fiscal Year 2025 are shown in the following table and based on the current total assessed valuation of \$2,034,927,380:

PRINCIPAL TAXPAYERS REAL ESTATE AND PUBLIC UTILITY Fiscal Year June 30, 2025

<u>Taxpayer</u>	<u>Tax Valuation</u>	<u>% of Total Assessed Valuation</u>
1. Dayton Power and Light Co.	\$ 138,004,190	6.78%
2. Vectren Energy Delivery of Ohio	50,600,180	2.48
3. Caresource Real Estate Holdings	10,696,120	0.52
4. GLP Capital LP	7,343,120	0.36
5. Norwood Medical LLC	6,911,900	0.33
6. Dayton Hotel II LLC	5,360,660	0.26
7. KND Real Estate 29 LLC	4,633,640	0.22
8. Phoenix Rising Real Property	4,311,190	0.21
9. City of Dayton	4,327,820	0.21
10. Miami Valley Hospital	4,026,500	0.19
11. Woodman Park Apartments	3,604,110	0.17
12. Bella Vista Dayton	3,597,170	0.17
13. FW Grafton LL	3,511,800	0.17
14. Martin Realty of Montgomery Co.	2,537,510	0.12
15. BEHR Dayton Thermal	<u>3,056,220</u>	0.15
Subtotal	\$ 251,316,070	12.34%
All other taxpayers	\$1,772,740,080	87.66%
TOTAL		100.00%

Source: Montgomery County Auditor

Collections and Delinquencies of Ad Valorem Taxes

Real property taxes which remain unpaid for a period of one year after they are due are certified delinquent. Foreclosure proceedings to enforce collection are required to be instituted if delinquent taxes have not been paid within the year following the certification of delinquent taxes. In addition to foreclosure proceedings, delinquent real property taxes may be collected by the appointment of a receiver or by forfeiture of the property. Another law provides for notice by publication and mass foreclosure proceedings and sales after three years, delinquency and may facilitate the County Auditor's method of collecting delinquencies under the circumstances covered by the law. Taxes other than those in real estate are, in general, certified delinquent if they remain unpaid for one year. In addition to the remedies of foreclosure, receivership and forfeiture, such delinquent taxes may be collected through civil action in the local courts. The delinquent taxes that are collected become part of the current collection and are distributed as current collections to the respective subdivisions. Special assessments levied by the various subdivisions are collected with the real property taxes; upon collection, delinquent special assessments are remitted to the levying subdivisions. The preceding is a general description of such procedures which may vary in practice among Ohio counties.

The following table sets forth the amounts billed for ad valorem real estate and public utility taxes and tangible personal property taxes in the School District on the tax duplicate for the collection years 2018 through 2025 (tax years 2017 through 2024):

**REAL ESTATE, PUBLIC UTILITY AND
TANGIBLE PERSONAL PROPERTY TAX COLLECTION PERCENTAGES**

<u>Tax Year</u>	<u>Collection Year</u>	<u>Taxes Levied</u>	<u>Taxes Collected</u>	<u>Percentage of Levied Taxes Collected</u>
2017	2018	\$87,462,162	\$78,178,582	89.4%
2018	2019	88,266,854	79,313,463	89.9
2019	2020	90,129,817	81,817,672	90.8
2020	2021	92,512,691	85,542,297	92.5
2021	2022	93,907,110	86,143,782	91.7
2022	2023	96,448,790	87,716,504	90.9
2023	2024	93,407,307	85,578,509	91.6
2024	2025	94,750,594	89,994,050	95.0

Source: Montgomery County Auditor

Unvoted and Voted Taxes for Local Purposes

To meet current expenses of subdivisions, the laws of Ohio authorize two types of ad valorem tax levies - unvoted and voted.

Unvoted ad valorem tax levies are permitted by the State Constitution and the Revised Code so long as such unvoted taxes do not exceed one per cent (ten mills) of any property's assessed valuation. This limitation is known as the "ten mill limitation" and such unvoted taxes are referred to as the "inside millage". See **"SCHOOL DISTRICT DEBT, DEBT LIMITATIONS AND OTHER LONG-TERM OBLIGATIONS – Statutory Debt Limitations Generally - Indirect Debt Limitation"** herein for a discussion of the effect of the ten mill limitation on borrowings by subdivisions.

Ohio law permits voted ad valorem tax levies outside the one percent limitation when approved by a majority of the electors of a taxing district voting on the proposition. A voted tax levy for a district is generally initiated by a resolution of the board of education to place such a levy on the ballot at a general, primary or other special election.

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The following chart lists the rates of taxation for the General Fund, the Permanent Improvement Fund and Bond Retirement Fund of the School District for the valuation years 2017 through 2024 (collection years 2018 through 2025):

<u>Year</u>	<u>Mills-General Fund</u>			<u>Mills Bond Retirement Fund</u>	<u>Mills Permanent Improvement Fund</u>	<u>Combined Total Millage</u>
	<u>Inside</u>	<u>Outside</u>	<u>Total</u>			
2017 Valuation						
2018 Collection	4.48	63.07	67.55	11.50	1.00	80.05
2018 Valuation						
2019 Collection	4.48	63.07	67.55	11.50	1.00	80.05
2019 Valuation						
2020 Collection	4.48	63.07	67.55	11.50	1.00	80.05
2020 Valuation						
2021 Collection	4.48	63.07	67.55	11.50	1.00	80.05
2021 Valuation						
2022 Collection	4.48	63.07	67.55	11.50	1.00	80.05
2022 Valuation						
2023 Collection	4.48	63.07	67.55	12.00	1.00	80.05
2023 Valuation						
2024 Collection	4.48	63.07	67.55	6.37	1.00	74.92
2024 Valuation						
2025 Collection	4.48	63.07	67.55	6.01	1.00	74.56

Source: Montgomery County Auditor

Statutory procedures limit the amount realized by each taxing subdivision from real property taxation, by the application of a tax reduction factor, to the amount realized from those taxes in the preceding year plus: (i) the proceeds of any new taxes (other than renewals) approved by the electors, calculated to produce an amount equal to the amount that would have been realized if those taxes had been levied in the preceding year, and (ii) amounts realized from new and existing taxes on the assessed valuation of real property added to the tax duplicate since the preceding year. Such limitations are expressly inapplicable to amounts realized from taxes levied at a rate required to produce a specified amount, such as for debt service charges or emergency school levies, and from taxes levied inside the ten-mill limitation or any applicable municipal charter tax rate limitation. Further, such limitations will not reduce operating millage for school districts below 20 mills or for joint vocational school districts below two mills.

A reduction factor is computed for each separate levy that is subject to the limitation. A resulting “effective tax rate” reflects the aggregate of those reductions and is the rate at which real property taxes are in fact collected. According to the Montgomery County Auditor, the School District’s effective rate for tax year 2026 for residential and agricultural property is 35.742671 mills, and for all other non-residential and agricultural property is 63.3966 mills.

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Sources of Income

The sources of income for the General Fund of the School District for the Fiscal Years 2022 through 2026, inclusive were as follows:

SOURCE OF INCOME - GENERAL FUND

<u>Receipts</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Local Source-Taxes*	\$97,490,924	\$82,912,875	\$82,742,079	\$82,953,545
Intergovernmental Transfers*	208,079,692	215,191,867	233,044,761	200,624,881
Investment Earnings	(4,397,659)	4,022,284	11,312,255	10,895,165
Tuition and Fees	2,031,343	2,478,691	2,925,563	2,469,357
All Other Revenues	<u>3,167,190</u>	<u>9,155,064</u>	<u>7,898,731</u>	<u>4,171,237</u>
Total	\$306,371,490	\$313,760,781	\$337,923,389	\$301,114,185

*Does not include Rollback/Homestead Exemption

*Includes State and Federal funding

Voting Records

The following tables show the history of bond issue and levy elections of the School District since 2000.

HISTORY OF BOND ISSUE ELECTIONS

<u>Date</u>	<u>Amount</u>	<u>% For</u>	<u>Term</u>
November 5, 2002	\$245,055,000	64.24%	School Construction, Renovation

HISTORY OF OPERATING LEVIES

<u>Date</u>	<u>Millage</u>	<u>% For</u>	<u>Term</u>
May 8, 2007	15.170	42.23%	New/Five Years
November 4, 2008	4.900	57.75	New/Continuous

HISTORY OF PERMANENT IMPROVEMENT LEVIES

<u>Date</u>	<u>Millage</u>	<u>% For</u>	<u>Term</u>
November 5, 2002	1.00	64.24%	New/Continuous

Source: OMAC

On July 21, 2026, the Board adopted a Resolution to Proceed to submit a proposed seven (7) mill combined current operating expenses and permanent improvement levy to the votes of the School District, with the levy to raise five (5) mills for current operating expenses and two (2) mills for permanent improvements. The election on the question of whether to approve the levy will go before voters at the November 3, 2026 general election.

Considerations Regarding Tax Reform

From time to time, (i) legislative proposals may be introduced in the General Assembly, (ii) ballot initiatives may be proposed by electors and (iii) court proceedings may be filed, which, in each case, if to

become law, could alter or amend one or more of the ad valorem property tax matters referred to herein and which may have a materially adverse effect on the market value of the Series 2026 Certificates. There can be no assurance that legislation enacted, ballot initiatives approved, or actions by a court, after the date of issuance of the Series 2026 Certificates, will not have a materially adverse effect on the market value or marketability of or security for the Series 2026 Certificates. Prospective purchasers of the Series 2026 Certificates should consult their own counsel regarding pending or proposed State property tax legislation, related ballot initiatives and court proceedings, as to all of which the School District and Bond Counsel express no opinion.

On May 1, 2025, a committee filed an initiative petition with the Attorney General of Ohio to amend the Ohio Constitution. The proposed amendment would abolish all taxes on real property in Ohio and prohibit any future real property taxes. On May 9, 2025, the Attorney General certified the title and summary of the proposed amendment and on May 14, 2025, the Ohio Ballot Board certified that the petition contains a single proposed constitutional amendment. Proponents must collect signatures equal to at least 10% of the votes cast in the most recent gubernatorial election from voters in at least 44 of Ohio's 88 counties. As of the date of this Preliminary Offering Circular, the signature-gathering period remains ongoing and the proposed amendment has not yet qualified for placement on a statewide ballot (which is required to be on a regular or general election). The earliest possible election at which this proposed amendment could appear on the ballot is the November 2027 election.

OTHER SOURCES OF SCHOOL DISTRICT FUNDING

State School Funding System

The State's General Assembly has historically provided financial assistance to city, exempted village, local, municipal and joint vocational school districts as a part of its undertaking to secure a thorough and efficient system of common schools throughout the State as required by the Ohio Constitution. The levels of that financial assistance (State Education Aid) and methods used in allocating it among the school districts have been established and frequently modified in the State's biennial budget and other legislation passed by the General Assembly from time to time.

The 2025 State Budget Act extends the operation of the State Education Aid system established by the 2021 State Budget Act as previously extended by the 2023 State Budget Act, with certain changes. The 2021 State Budget Act incorporated and adopted aspects of the "Fair School Funding Plan" (FSFP), a three-year, bipartisan effort by school district board members and administrators, State legislators, trade associations and other interested parties to create a funding model that would more equitably distribute money among the State's school districts, with an emphasis on additional funds being provided by the State rather than being raised by school districts through local ad valorem property tax levies, school district income taxes or otherwise.

Under the 2025 State Budget Act, State Education Aid is estimated to modestly increase average per-pupil aid for each year of the biennium. Generally speaking, under each of the 2021 State Budget Act, 2023 State Budget Act and 2025 State Budget Act, funding was and will be increased, though the 2025 State Budget Act slows that increase from the prior State Budget Acts, with a majority of the additional revenue going to the poorest school districts in the State and with the largest per-pupil increases, on average, going to urban school districts and the largest average percentage increases going to smaller urban school districts. It is anticipated that no school district will receive less net State Education Aid under the 2025 State Budget Act than under the 2023 State Budget Act. Net State Education Aid has and will increase for almost all school districts during the biennium, modestly in most instances.

The 2021 State Budget Act made significant changes to the calculation and payment of State Education Aid, which continue under the 2025 State Budget Act. Generally speaking, students are funded where they are educated, instead of where they live. Students at community schools, STEM schools and those participating in a scholarship program (e.g. EdChoice, Autism Scholarship, Jon Peterson Special Needs Scholarship) and those participating in open enrollment are directly funded at their educating entity. This change eliminated the previous practice of deduction and transfer of funds from resident school

districts to educating entities for those students. As a result, school districts with large numbers of students who leave through choice options receive less State Education Aid without the inclusion of those students.

For purposes of determining the State share of the base cost of core foundation funding, an overall base cost is calculated for each school district using formulas to create estimated base costs of (i) direct classroom instruction, (ii) instructional and student support, (iii) school district leadership and accountability, (iv) building leadership and operations and (v) athletic co-curricular activities. The school district's calculated base cost is then to be allocated between a State share and a school district share based on the school district's "per-pupil local capacity" which is a function of its ad valorem property tax valuation per-pupil and measures of income wealth in the school district. The State share for school districts with lower ad valorem property tax valuations per-pupil and/or lower income wealth per-pupil is larger. However, in no case is the State share of the school district's calculated base cost less than 10% (maintained under the 2025 State Budget Act after being increased in the 2023 State Budget Act from 5% under the 2021 State Budget Act). The 2025 State Budget Act requires the use of Fiscal Year 2022 data to calculate the base cost, which is the same as under the 2023 State Budget Act.

Under the core foundation funding formula, in addition to the State share described above, school districts may also receive, as applicable, State Education Aid in the form of (i) targeted assistance based on relative tax valuation and income factors and student population, (ii) a weighted amount based on six categories of disabilities for special education and related services, (iii) supplemental disadvantaged pupil impact aid based on the relative proportion of a school district's students identified as economically disadvantaged, (iv) a weighted amount for each of three English learner categories, (v) gifted funds for identification, referral, professional development, coordinators and intervention specialists, (vi) a weighted amount for each of five career-technical categories and (vii) a weighted amount for career-technical education associated services. The amount of a school district's State Education Aid in the form of special education, English learner, gifted and career-technical education funding is generally to be determined in the same manner as its State share of the school district's base cost.

As provided in the 2023 State Budget Act, the 2025 State Budget Act continues to provide for private school voucher eligibility for all students in grades K-12, with the value of the EdChoice Scholarship dependent on family income. Children whose families earn up to 450% of the federal poverty level (\$135,000 for a family of four) will be able to obtain a full EdChoice Scholarship to cover costs of attending participating private schools (estimated to be \$6,165 for students in grades K-8 and \$8,407 for students in grades 9-12), with pro-rated, means-tested amounts available for families earning in excess of that amount, resulting in all K-12 students being eligible for a scholarship worth at least 10% of the maximum regardless of income. In all, the 2023 State Budget Act increased voucher funding 77% from prior voucher funding. The School District cannot predict the future impact, if any, of these changes to voucher eligibility on its student enrollment and resulting State Education Aid. See The School System – Enrollment – Charter Schools; Tuition Vouchers for a discussion regarding recent court ruling potentially affecting the EdChoice voucher program.

The 2023 State Budget Act renamed the Department of Education as the Department of Education and Workforce (DEW) and created the position of Director of DEW, appointed by the Governor with the advice and consent of the State Senate. Within DEW, the Division of Primary and Secondary Education and Career-Technical Education were created, each of which is headed by a Deputy Director appointed by the Director with the advice and consent of the State Senate. Most of the powers of the previous State Board of Education, and State Superintendent of Public Instruction, were transferred to DEW, excluding educator licensure, licensee disciplinary actions, school district territory transfers and certain other areas.

The School District believes applicable school funding provisions in the 2025 State Budget Act will not negatively affect the School District's State Education Aid.

There can be no assurance concerning future funding levels or systems or formulae for allocation of State Education Aid or the continuing. Funding has also been subject to adjustment during a biennium. As indicated above, the General Assembly has the power to modify the system of State school funding and has

often exercised that authority. The School District cannot predict whether, when or in what form any future system of State school funding will be enacted into law.

Casino Tax Revenues

In Fiscal Year 2013, the School District began receiving revenues from a tax on casino revenues imposed by the State pursuant to a vote of the electors of the State authorizing the constitutional amendment permitting four casinos to be constructed and operated in the cities of Cincinnati, Cleveland, Columbus, and Toledo.

SCHOOL DISTRICT DEBT, DEBT LIMITATIONS AND OTHER LONG-TERM OBLIGATIONS

Statutory Debt Limitations Generally

The School District may issue voted general obligation bonds, and notes issued in anticipation thereof, pursuant to a vote of the electors of the School District. Ad valorem taxes, without limitation as to amount or rate, assessed to pay debt service on voted bonds are authorized by the electors at the same time they authorize issuance of the bonds. Such voted debt is subject to the direct debt limitations but is not subject to the indirect debt limitation. Voted obligations may also be issued by certain overlapping subdivisions.

General obligation bonds and notes issued in anticipation thereof, may also be issued by the School District (and certain overlapping political subdivisions, such as Montgomery County) without a vote of the electors. Unvoted debt is subject to both the direct and indirect debt limitations.

A political subdivision's debt limitations are based on its "tax valuation," which is the aggregate of the valuations of real property, personal property, and public utility property that is subject to ad valorem property taxation. For school districts, tax valuation is calculated in accordance with Revised Code Section 133.01(PP) and excludes the valuation of tangible personal property used in business, telephone or telegraph property, interchange telecommunications company property, or personal property owned or leased by a railroad company and used in railroad operations.

Direct Debt Limitations

Revised Code Section 133.06 provides that, exclusive of certain "exempt debt" (discussed below), the net principal amount of unvoted general obligation debt of a school district may not exceed the following percentages of a School District's tax valuation: (a) for permanent improvements generally, one-tenth of one percent (0.10%); and (b) for qualified energy conservation projects under Revised Code Section 133.06, nine-tenths of one percent (0.90%). Revised Code Section 133.06 also provides that the net principal amount of both voted and unvoted general obligation debt of the School District may not exceed 9% of a school district's tax valuation, except in the specific situations discussed below. These two limitations, referred to as "the direct debt limitations," may be amended from time to time by the State.

State Consents and 4% Limitation

Revised Code Section 133.06 further provides that bonds shall not be submitted to popular vote in an amount which will make the net indebtedness after the issuance of such bonds exceed 4% of a school district's tax valuation, unless the school district obtains the consent of the State Superintendent (acting under policies adopted by the State Board of Education) and the Tax Commissioner (acting under written policies of said Tax Commissioner). Revised Code Section 133.06(I) permits school districts to incur net indebtedness in excess of the 4% consent or 9% limitation in certain circumstances.

Special Needs

Revised Code Section 133.06(E) permits a school district to incur indebtedness in excess of the 9% direct debt limitation if, based on five-year projections showing annual property value growth of 1.5% or more, the State Superintendent determines that such school district is a “special needs” district.

In order to become a special needs district, the board of education of a school district must pass a resolution stating that the student population is not adequately served by existing facilities, that insufficient capacity exists within the 9% limit to finance additional facilities, and that special needs classification is required.

A detailed application including a history of the extent of growth in the tax valuation of the School District is then submitted to the State Superintendent, who, upon finding that projected growth of the tax valuation during the next five years is likely to exceed 1.5% per year, may determine that the School District is an approved special needs district. This determination is conclusive.

A school district which has been approved as a special needs district may incur indebtedness in an amount not exceeding an amount equal to the greater of the following:

- (a) 12% of the sum of its tax valuation plus an amount that is the product of multiplying that tax valuation by the percentage by which the tax valuation has increased over the tax valuation on the first day of the sixtieth month preceding the month in which its board determines to submit to the electors the question of issuing the proposed securities;
- (b) 12% of the sum of its tax valuation plus an amount that is the product of multiplying that tax valuation by the percentage, determined by the State Superintendent, by which that tax valuation is projected to increase during the next ten years.

Exempt Debt

The Revised Code provides that certain debt a school district may issue is exempt from direct debt limitations (“exempt debt”). Exempt debt includes, among other things, bonds payable from school district income taxes under Revised Code Section 3318.052(E); notes issued in anticipation of the collection of current revenues; notes issued for qualified energy savings projects under Revised Code Section 3313.372; and certain bonds issued for school construction purposes following declaration of an emergency. Notes issued in anticipation of “exempt” bonds also are exempt debt. In calculating debt subject to the direct debt limitations, the amount of money in a school district’s bond retirement fund allocable to the principal amount of non-exempt debt is deducted from gross non-exempt debt.

Indirect Debt Limitation

Unvoted general obligation bonds and bond anticipation notes cannot be issued by the School District unless the tax required to be imposed on taxable property in the School District for the payment of the debt service on (a) such bonds (or the bonds in anticipation of which notes are issued), and (b) all outstanding unvoted general obligation bonds (including bonds in anticipation of which notes are issued) of the combination of overlapping taxing subdivisions in the School District resulting in the highest tax rate required for such debt service, in any one year, is ten mills or less per \$1.00 of assessed valuation. This indirect debt limitation, the product of which is commonly referred to as the “ten-mill limitation,” is imposed by a combination of the provisions of Article XII, Sections 2 and 11 of the Ohio Constitution and Revised Code Section 5705.02.

The ten-mill limitation is the maximum aggregate millage for all purposes that may be levied on any single piece of property by all overlapping taxing subdivisions without a vote of the electors. The ten mills which may be levied without a vote of the electors is in fact levied, collected and allocated among the School District and its overlapping taxing subdivisions for general fund purposes pursuant to a statutory formula.

This “inside” millage allocated to each overlapping taxing subdivision is required by present Ohio law to be used first for the payment of debt service on unvoted general obligation debt of the subdivision, unless provision has been made for its payment from other sources. The balance of the millage is available for other purposes of the subdivision. Thus, to the extent this inside millage is required for debt service of a taxing subdivision (which may exceed the formula allocation to that subdivision), the amount that would otherwise be available to that subdivision or to other such overlapping subdivisions for general fund purposes is reduced.

A subdivision’s allocation of inside millage can be exceeded only in the event it is required for the payment of debt service on its unvoted general obligation debt and, in that case, the inside millage allocated to the other overlapping subdivisions would be reduced proportionally to bring the aggregate levies of inside millage down to ten mills.

In case of notes issued in anticipation of the issuance of unvoted general obligation bonds, the highest annual debt service estimated for the bonds anticipated by the notes is used to calculate the millage required.

The ten-mill limitation applies to all unvoted general obligation debt even if debt service on some of such debt is expected to be paid in fact from special assessments, utility earnings or other sources.

In calculating whether or not unvoted debt to be issued by the School District is within the ten-mill limitation, it is necessary to determine the total outstanding debt service requirements within the ten-mill limitation of all the taxing subdivisions overlapping the School District.

Bond Anticipation Notes

Under Ohio law, notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of twenty years from the date of issuance of the original notes. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to, and payable not later than, principal maturities that would have been required if bonds had been issued at the expiration of the initial five-year period. The last maturity of any bonds issued to refund general obligation bond anticipation notes may not be later than the year of last maturity permitted by law for the bonds anticipated.

The School District currently has no outstanding bond anticipation notes.

School District General Obligation Debt Currently Outstanding

The School District currently has the following outstanding general obligation debt as of the date of closing:

GENERAL OBLIGATION BONDS (VOTED)

<u>Date of Original Issue</u>	<u>Purpose</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Original Amount Issued</u>	<u>Amount Outstanding</u>
10/15/14	School Fac Const. & Imp. Ref Bonds, Series 2014	1.00-5.00%	11/01/31	\$90,360,000.00	\$61,165,000.00

General Obligation Debt Service Requirements

The following schedule presents the School District's actual debt service requirements for the School District's general obligation debt:

Debt Service Requirements Dayton City School District

Calendar Year	General Obligation Bonds		Total Debt Service
	Principal	Interest	
2026	\$10,245,000.00	\$2,923,250.00	\$13,168,250.00
2027	10,750,000.00	2,411,000.00	13,161,000.00
2028	11,155,000.00	2,008,500.00	13,163,500.00
2029	11,710,000.00	1,450,750.00	13,160,750.00
2030	12,300,000.00	865,250.00	13,165,250.00
2031	5,005,000.00	250,250.00	5,255,250.00
TOTAL	\$61,165,000.00	\$9,909,000.00	\$71,074,000.00

No bonds have been authorized by the electors that have not yet been issued.

The School District is not and has not been in default in the payment of debt service on any of its general obligation bonds or notes.

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Overlapping Subdivision Indebtedness

In addition to the School District, other political subdivisions have the power to issue general obligation bonds and to levy taxes or cause taxes to be levied on taxable real property in the School District. The estimated outstanding bonded indebtedness of such political subdivisions (excluding debt payable primarily from enterprise revenues) is as follows:

Overlapping Debt Dayton City School District

Overlapping Units	Estimated Outstanding Debt	Percent Applicable to School District	Estimated Amount of Overlapping Debt
Montgomery County	-0-	14.27%	-0-
City of Dayton	\$29,510,000	83.19	\$24,549,369
City of Kettering	16,745,000	-0-	-0-
City of Riverside	2,240,000	12.71	284,704
City of Trotwood	180,000	15.63	28,134
Dayton Metro Library District	105,434,986	18.44	19,442,221
Total	\$105,469,418		\$61,165,000

Source: (OMAC) as of July 31, 2026

The following table shows the general obligation per capita debt of the residents in the School District based upon the estimated 2024 U.S. Bureau of the Census figure of 146,464 people residing in the School District, the above overlapping indebtedness figures and the School District debt shown above:

Debt Per Capita Dayton City School District

School District Debt, per capita	\$418
Overlapping Debt, per capita	720
Total Debt, per capita	\$1,138

Source: OMAC as of July 31, 2026 and School District calculations

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Debt Capacity Analysis

The following table provides an analysis of the School District's general obligation debt capacity as of the date of closing. The School District's tax valuation is calculated in accordance with Revised Code Section 133.01(PP) and is based on Collection Year 2025 data provided by the State Department of Taxation.

Debt Capacity Dayton City School District	
Present Total Assessed Valuation	\$2,088,430,564
Total Debt	\$61,165,000 ¹
Exempt Debt	\$0
Total non-exempt debt	\$61,165,000
1/10th of 1% of tax valuation (unvoted non-energy conservation debt limitation)	\$2,088,431
Total limited tax 1/10th of 1% non-exempt (non-energy conservation) debt outstanding	0
Debt leeway within the 1/10th of 1% unvoted debt limitation but subject to indirect debt limitation	\$2,088,431
9/10th of 1% of tax valuation (unvoted energy conservation debt limitation)	\$18,795,875
Total limited tax non-exempt energy conservation debt outstanding	0
Debt leeway within 9/10th of 1% unvoted debt limit but subject to indirect debt limit	\$18,795,875
9% of tax valuation (voted and unvoted debt limitation)	\$187,958,751
Total non-exempt bonds outstanding	\$61,165,000
Debt leeway within 9% direct debt limitation ²	\$126,793,751

¹ Does not include (i) \$6,575,000 outstanding principal amount of the School District's Certificates of Participation, Series 2020, and (ii) \$6,950,000 of the outstanding principal amount of the School District's Certificates of Participation, Series 2021.

² Debt leeway is determined without reference to applicable moneys in the School District's bond retirement fund.

Other Long Term Obligations

Series 2020 Certificates of Participation

On July 29, 2020, the School District issued \$10,000,000 of Certificates of Participation, Series 2020 (School Facilities Project) (the "Series 2020 Certificates") of which \$6,575,000 is currently outstanding.

The Rent due on the Series 2020 Certificates is as follows:

<u>Lease Payment Date</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Total</u>
December 1, 2026	\$545,000	\$131,500.00	\$676,500.00
June 1, 2027	--	120,600.00	120,600.00
December 1, 2027	570,000	120,600.00	690,600.00
June 1, 2028	--	109,200.00	109,200.00
December 1, 2028	590,000	109,200.00	699,200.00
June 1, 2029	--	97,400.00	97,400.00
December 1, 2029	615,000	97,400.00	712,400.00
June 1, 2030	--	85,100.00	85,100.00
December 1, 2030	640,000	85,100.00	725,100.00
June 1, 2031	--	72,300.00	72,300.00
December 1, 2031	665,000	72,300.00	737,300.00
June 1, 2032	--	59,000.00	59,000.00
December 1, 2032	695,000	59,000.00	754,000.00
June 1, 2033	--	45,100.00	45,100.00
December 1, 2033	720,000	45,100.00	765,100.00
June 1, 2034	--	30,700.00	30,700.00
December 1, 2034	750,000	30,700.00	780,700.00
June 1, 2035	--	15,700.00	15,700.00
December 1, 2035	785,000	15,700.00	800,700.00

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Series 2021 Certificates of Participation

On September 30, 2021, the School District issued \$10,000,000 of Certificates of Participation, Series 2021 (School Facilities Project) (the "Series 2021 Certificates") of which \$6,950,000 is currently outstanding.

The Rent due on the Series 2021 Certificates is as follows:

<u>Lease Payment Date</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Total</u>
November 15, 2026	\$530,000	\$113,184.38	\$643,184.38
May 15, 2027	--	105,234.38	105,234.38
November 15, 2027	545,000	105,234.38	650,234.38
May 15, 2028	--	97,059.38	97,059.38
November 15, 2028	565,000	97,059.38	662,059.38
May 15, 2029	--	85,759.38	85,759.38
November 15, 2029	585,000	85,759.38	670,759.38
May 15, 2030	--	74,059.38	74,059.38
November 15, 2030	610,000	74,059.38	684,059.38
May 15, 2031	--	61,859.38	61,859.38
November 15, 2031	635,000	61,859.38	696,859.38
May 15, 2032	--	49,159.38	49,159.38
November 15, 2032	660,000	49,159.38	709,159.38
May 15, 2033	--	39,259.38	39,259.38
November 15, 2033	675,000	39,259.38	714,259.38
May 15, 2034	--	29,134.38	29,134.38
November 15, 2034	695,000	29,134.38	724,134.38
May 15, 2035	--	21,750.00	21,750.00
November 15, 2035	715,000	21,750.00	736,750.00
May 15, 2066	--	11,025.00	11,025.00
November 15, 2036	735,000	11,025.00	746,025.00

Future Financings

The District has no additional financings currently intended.

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Pension Obligations

The tables below show the employee and employer contributions to the retirement programs of certified and non-certified employees of the School District for the Fiscal Years 2026 through 2031:

RETIREMENT PROGRAMS

State Teachers' Retirement (STRS) – Certified Employees

<u>Year</u>	<u>Member Contribution</u>		<u>Employer Contribution</u>	
	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
2020	14.0%	\$10,474,199	14.0%	\$10,474,199
2021	14.0	10,281,354	14.0	10,281,354
2022	14.0	11,604,758	14.0	11,604,758
2023	14.0	11,997,093	14.0	11,997,093
2024	14.0	12,056,863	14.0	12,056,863
2025	14.0	10,276,624	14.0	10,276,624

School Employee Retirement (SERS) – Non-Certified Employees

<u>Year</u>	<u>Member Contribution</u>		<u>Employer Contribution</u>	
	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
2020	10.0%	\$3,752,949	14.0%	\$5,524,127
2021	10.0	3,451,488	14.0	5,587,592
2022	10.0	3,969,401	14.0	5,557,161
2023	10.0	4,364,648	14.0	6,110,507
2024	10.0	4,758,187	14.0	6,661,462
2025	10.0	6,239,880	14.0	8,735,832

Source: Records of the Treasurer of the School District

The School District's annual contributions to STRS and SERS are treated as a current expense and are paid primarily from its General Fund. Payments are deducted by the State from School Foundation Program payments which are received by the School District twice each month. Current law establishes maximum contribution rates to STRS at 1% and SERS at 10% for the employees' portion and 14% for the employer's portion.

The deduction is as stated above. When each payroll is posted to the accounting system, each individual non-general fund is charged for the retirement cost associated with that fund. The remaining retirement cost is made prorated as a General Fund expenditure for that month. This is done at the end of the month as part of the month end close down process.

STRS and SERS are not now subject to the funding and vesting requirements of the federal Employee Retirement Income Security Act of 1974.

Both STRS and SERS were created by and operate pursuant to Ohio law. The General Assembly could determine to amend the format of either system and could revise rates or methods of contribution to be made by the Board of Education into the pension funds and revise benefits or benefits levels.

On September 12, 2012, the General Assembly passed SB 341 and SB 342 modifying SERS and STRS respectively. The Governor signed both bills on September 26, 2012. Each bill became effective January 7, 2013.

SB 341 changes multiple aspects of SERS in ways expected to enhance its ability to amortize its unfunded actuarial accrued liabilities within thirty years. Some of the changes made by SB 341 include: (1) an increase in minimum age and service requirements with respect to certain employees and (2) a reduction in disability benefits with respect to certain employees. SB 341 permits the SERS Board to modify minimum age and service requirements as necessary to amortize its unfunded actuarial accrued liabilities within thirty years.

SB 342 changes numerous aspects of STRS in ways expected to enhance its ability to amortize its unfunded actuarial accrued liabilities within thirty years. Some of the changes made by SB 342 include: (1) an increase in the minimum age and service requirements with respect to certain employees, (2) an increase in the STRS employee contribution rate from 10% to 14%, in annual increments of 1% a year, starting July 1, 2013, (3) a change in the method by which benefits for certain employees are calculated that is expected to result in a reduction of such benefits, (4) a reduction in the annual cost of living adjustment applied to benefits with a temporary freeze in cost of living adjustments and (5) a reduction in disability benefits to certain employees. SB 342 permits the STRS Board to modify minimum age and service requirements, employee contributions and cost of living adjustments as necessary to amortize its unfunded actuarial accrued liabilities within thirty years.

For information regarding the School District's net pension liability, see the Required Supplementary Information in the Audit, attached hereto as **Appendix C**.

Accrued Fringe Benefits

All certified and non-certificated employees receive hospitalization insurance, major medical insurance, dental and life benefits. Certified personnel accumulate 1¼ days of sick leave per month to a maximum allowable accumulation of 250 days with full pay. The Board of Education will pay teacher severance pay for 25% of unused accumulative sick leave up to a maximum of 280 days of accumulated sick leave at the per diem rate of pay for the teacher at the time of his/her official retirement from the School District. Any eligible employee with at least five continuous years of service in the School District will be paid severance only if they retire from the School District under an Ohio Public Retirement System.

Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Vacation days are credited to classified employees and administrators each month and may be accrued up to a maximum of the number of days earned during the fiscal year. Vacation days in excess of the annual number of days earned by the classified employee may be carried forward only with the approval of the superintendent. Administrators are only allowed to carryover up to five vacation days to the following fiscal year. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. However, administrators are vacation payout is capped at five days. Teachers do not earn vacation time.

The School District has no other long-term financial obligations, other than as described above, and the compensated absences (for vacation and sick pay) obligations identified in the Notes to the School District's Audited Basic Financial Statements for Fiscal Year 2025 attached as **Appendix C**.

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Appendix B

FINANCIAL FORECAST OF OPERATIONAL REVENUES AND EXPENDITURES



FIVE-YEAR FINANCIAL FORECAST NOTES AND ASSUMPTIONS

For the Fiscal Years Ending June 30, 2026, through 2031

**Forecast Provided By
Dayton Public Schools
Treasurer's Office
Hiwot Abraha, Treasurer/CFO
August 2026**

Dayton City School District

Montgomery County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2024, 2025 and 2026 Actual;
Forecasted Fiscal Years Ending June 30, 2027 Through 2031

	Actual			Average Change	Forecasted				
	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026		Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031
Revenues									
1.010 General Property Tax (Real Estate)	60,112,962	62,667,459	62,763,556	2.2%	62,524,763	63,425,595	63,430,430	63,571,457	63,844,029
1.020 Public Utility Personal Property Tax	10,500,802	11,932,201	14,011,131	15.5%	15,422,053	15,557,153	15,692,253	15,827,353	15,962,453
1.030 Income Tax	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
1.035 Unrestricted State Grants-in-Aid	113,915,814	117,887,015	119,906,436	2.6%	120,384,002	120,397,870	120,411,259	120,425,219	120,439,404
1.040 Restricted State Grants-in-Aid	18,873,789	19,120,287	19,319,953	1.2%	19,248,884	19,248,884	19,248,884	19,248,884	19,248,884
1.045 Restricted Federal	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
1.050 State Reimbursement for Property Tax Credits	6,498,772	6,386,281	6,428,104	-0.5%	7,747,602	7,126,373	7,423,306	7,581,958	7,586,335
1.060 All Other Revenues	15,197,010	14,971,265	17,901,004	9.0%	16,879,101	16,648,024	16,434,629	16,238,094	16,057,638
1.070 Total Revenues	225,099,149	232,964,508	240,330,184	3.3%	242,206,405	242,403,899	242,640,761	242,892,965	243,138,743
Other Financing Sources									
2.010 Proceeds from Sale of Notes	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
2.020 State Emergency Loans and Advancements	-	-	-	0.0%	-	-	-	-	-
2.040 Operating Transfers-In	0	-	38,208,087	0.0%	-	-	-	-	-
2.050 Advances-In	22,839,766	8,738,556	2,673,540	-65.6%	2,264,926	2,264,926	2,264,926	2,264,926	2,264,926
2.060 All Other Financing Sources	40,810	7,036	34,345	152.7%	34,345	34,345	34,345	34,345	34,345
2.070 Total Other Financing Sources	22,880,576	8,745,592	40,915,972	153.0%	2,299,271	2,299,271	2,299,271	2,299,271	2,299,271
2.080 Total Revenues and Other Financing Sources	247,979,725	241,710,100	281,246,156	6.9%	244,505,676	244,703,170	244,940,032	245,192,236	245,438,014
Expenditures									
3.010 Personal Services	99,277,921	123,475,985	133,440,329	16.2%	137,112,431	142,381,183	147,860,686	152,134,698	156,536,930
3.020 Employees' Retirement/Insurance Benefits	36,112,332	44,834,544	47,616,264	15.2%	51,403,743	54,583,121	57,988,986	61,427,151	65,111,216
3.030 Purchased Services	45,173,539	50,790,686	53,681,944	9.1%	53,885,489	55,116,171	56,611,107	58,150,147	59,734,599
3.040 Supplies and Materials	12,405,302	13,609,078	12,616,780	1.2%	11,342,947	11,569,806	11,916,901	12,274,408	12,642,640
3.050 Capital Outlay	7,548,904	4,058,854	915,012	-61.8%	1,415,012	1,457,462	1,491,762	1,507,675	1,524,066
3.060 Intergovernmental	-	-	-	0.0%	-	-	-	-	-
Debt Service:				0.0%					
4.010 Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-
4.020 Principal-Notes	-	-	-	0.0%	-	-	-	-	-
4.030 Principal-State Loans	-	-	-	0.0%	-	-	-	-	-
4.040 Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-
4.050 Principal-HB 264 Loans	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
4.055 Principal-Other	591,049	-	-	0.0%	-	-	-	-	-
4.060 Interest and Fiscal Charges	6,088	-	-	0.0%	0	0	0	0	\$0
4.300 Other Objects	3,297,403	3,586,001	3,814,815	7.6%	3,977,963	4,084,916	4,186,095	4,290,133	4,397,115
4.500 Total Expenditures	204,412,538	240,355,148	252,085,144	11.2%	259,137,585	\$269,192,659	280,055,536	289,784,212	299,946,567
Other Financing Uses									
5.010 Operating Transfers-Out	14,142,619	43,488,872	5,760,000	60.4%	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
5.020 Advances-Out	20,259,985	4,046,324	2,264,926	-62.0%	2,264,926	2,264,926	2,264,926	2,264,926	2,264,926
5.030 All Other Financing Uses	268,640	0	0	0.0%	\$0	\$0	\$0	\$0	\$0
5.040 Total Other Financing Uses	34,671,244	47,535,196	8,024,926	-23.0%	4,764,926	4,764,926	4,764,926	4,764,926	4,764,926
5.050 Total Expenditures and Other Financing Uses	239,083,782	287,890,344	260,110,070	5.4%	263,902,511	273,957,585	284,820,462	294,549,138	304,711,493
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses									
6.010	8,895,943	(46,180,244)	21,136,086	-382.4%	(19,396,835)	(29,254,415)	(39,880,429)	(49,356,901)	(59,273,479)
Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	130,275,055	139,170,998	92,990,754	-13.2%	114,126,840	94,730,005	65,475,590	25,595,161	(23,761,740)
7.010	139,170,998	92,990,754	114,126,840	-5.2%	94,730,005	65,475,590	25,595,161	(23,761,740)	(83,035,219)
7.020 Cash Balance June 30	139,170,998	92,990,754	114,126,840	-5.2%	94,730,005	65,475,590	25,595,161	(23,761,740)	(83,035,219)
8.010 Estimated Encumbrances June 30	17,353,160	14,938,607	9,502,771	-25.2%	9,502,745	9,502,745	9,502,745	9,502,745	9,502,745

Dayton City School District

Montgomery County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2024, 2025 and 2026 Actual;
Forecasted Fiscal Years Ending June 30, 2027 Through 2031

	Actual			Average Change	Forecasted				
	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026		Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031
Reservation of Fund Balance									
9.010 Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-
9.020 Capital Improvements	-	-	-	0.0%	-	-	-	-	-
9.030 Budget Reserve	10,220,627	12,017,757	12,604,257	11.2%	12,956,879	13,459,633	14,002,777	-	-
9.040 DPIA	-	-	-	0.0%	-	-	-	-	-
9.045 Fiscal Stabilization	-	-	-	0.0%	-	-	-	-	-
9.050 Debt Service	-	-	-	0.0%	-	-	-	-	-
9.060 Property Tax Advances	-	-	-	0.0%	-	-	-	-	-
9.070 Bus Purchases	-	-	-	0.0%	-	-	-	-	-
9.080 <i>Subtotal</i>	10,220,627	12,017,757	12,604,257	11.2%	12,956,879	13,459,633	14,002,777	-	-
<i>Fund Balance June 30 for Certification of Appropriations</i>	111,597,211	66,034,390	92,019,812	-0.7%	72,270,381	42,513,212	2,089,639	(33,264,485)	(92,537,964)
Revenue from Replacement/Renewal Levies									
11.010 Income Tax - Renewal				0.0%	-	-	-	-	-
11.020 Property Tax - Renewal or Replacement				0.0%	-	-	-	-	-
11.300 Cumulative Balance of Renewal Levies				0.0%	-	-	-	-	-
12.010 <i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>	111,597,211	66,034,390	92,019,812	-0.7%	72,270,381	42,513,212	2,089,639	(33,264,485)	(92,537,964)
Revenue from New Levies									
13.010 Income Tax - New				0.0%	\$0	\$0	\$0	\$0	\$0
13.020 Property Tax - New				0.0%	-	-	-	-	-
13.030 Cumulative Balance of New Levies	-	-	-	0.0%	-	-	-	-	-
14.010 Revenue from Future State Advancements				0.0%	-	-	-	-	-
15.010 <i>Unreserved Fund Balance June 30</i>	111,597,211	66,034,390	92,019,812	-0.7%	72,270,381	42,513,212	2,089,639	(33,264,485)	(92,537,964)

Dayton Public School District –Montgomery County
Notes to the Five-Year Forecast
General Fund Only
August 2026

Introduction to the Five Year Forecast

A forecast is a snapshot of today. Based on historical trends, what we know and future assumptions. That snapshot, however, will be adjusted because the further into the future the forecast extends, the more likely it is that the projections will deviate from experience. Various events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), new state mandates, tax levies, property reappraisals and updates, salary increases, health insurance increases, enrollment variances, or changes to property valuations due to businesses moving in or out of the district.

As noted below the current state budget approved in HB96 changed the forecast based on what the state Ohio and the Ohio Department of Workforce and Education will require, however the Board of Education will continue to plan over a five-year period. Our district leadership believes that the five-year forecast is a crucial management tool. A five-year planning horizon enables district management teams to examine future years' projections and identify when challenges will arise. This helps district management to be proactive in meeting those challenges.

In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions of the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are fundamental to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

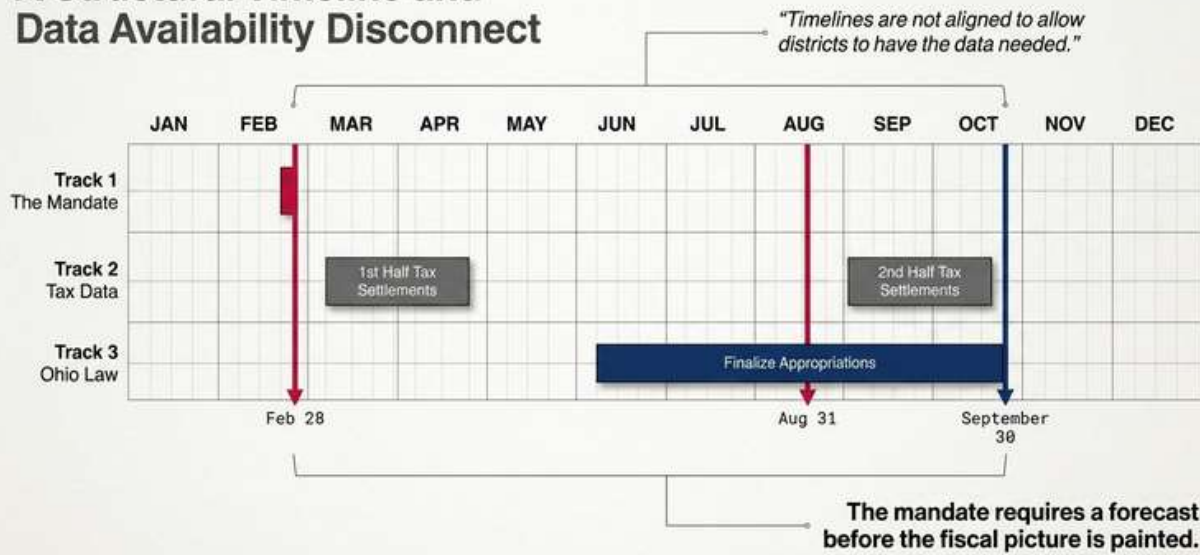
Since the preparation of a meaningful forecast is as much an art as it is a science and entails many intricacies, it is recommended that you contact the Treasurer/Chief Fiscal Officer of the school district with any questions you may have. The Treasurer/Chief Financial Officer submits the forecast, but the Board of Education is recognized as the official owner of the forecast.

Here are three essential purposes or objectives of the forecast:

- (1) To engage the local board of education and the community in long-range planning and discussions of financial issues facing the school district.
- (2) To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate".
- (3) To provide a method for the Ohio Department of Education and Workforce, and the Auditor of State to identify school districts with potential financial problems.

Ohio HB96 was passed in June 2025 which amended O.R.C. 5705.391 and O.A.C. 3301-92.04 requiring a Board of Education (BOE) to file their current years budgeted revenue and expenses, and three additional years. This is essentially a four (4) year forecast. Beginning in fiscal year 2026 (July 1 to June 30) the financial forecast must be filed by October 15, and the end of February. The filing deadlines will change in fiscal year 2027 to August 31, and end of February each fiscal year thereafter. The filing deadlines of February and August are out of alignment with when final 1st half and 2nd half tax settlements will actually be received, and the August 31 deadline is out of alignment with when school districts statutorily have to make final fiscal year appropriations.

A Structural Timeline and Data Availability Disconnect



While the legislative requirement is to file a four-year forecast, as noted above, we believe it is a prudent business practice to continue to develop a five-year forecast for planning purposes. The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The first year of the financial forecast is considered the current year budget and is used as the base for future years projections. Our forecast is updated to reflect the most current economic data available for the August 2026 filing.

Forecast Risks and Uncertainty:

This financial forecast has risks and uncertainty due to economic changes, new property tax laws noted below that were signed by the Governor on December 19, 2025, and also due to state legislative changes that will occur in the spring of 2027 and 2029 due to deliberation of the two (2) state biennium budgets for FY28-29 and FY30-31, all of which affect this forecast.

Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast. The items below give a short description of the current issues and how they may affect our forecast in the long term:

- I. On December 19, 2025, Governor DeWine signed into law several pieces of legislation that became law March 19, 2026, and are the most sweeping changes to Ohio property tax law since 1976 when HB920 was passed. The laws that were approved are: HB129, HB186, HB309 and HB335. Subsequently HB479 the state budget correction bill was signed June 24, 2026, and becomes law September 23, 2026, that made needed corrections to HB335 inside millage. Of particular concern is HB186 which implements new property tax caps retroactively for property reappraisal and triennial updates that occurred in tax year 2023, 2024 and 2025. Due to the complexity of these calculations, the Ohio Department of Taxation (ODT) has been charged with calculating the effects of this legislation and notifying Ohio's 88 county auditors as to the impact on property tax bills and subsequent tax settlements to local governments.

A brief summary of the impact of each piece of legislation is noted below with specific anticipated impacts to this forecast noted in Estimated Real Estate Tax Line 1.01 section of these assumptions below:

- HB129 implements new requirements for and restores fixed sum levies. It will also include fixed sum levy millage in the 20-mill floor calculation beginning in the next reappraisal or triennial update cycle of any county that contains district territory, but no later than Tax Year 2028 collect in calendar 2029. For some districts this will result in a loss due to a change in the 20-mill floor.
- HB186 establishes Inflation Cap Credits, if districts were at the 20-mill floor, following reappraisals and triennial updates for school district property taxes, preventing increases beyond the Gross Domestic Product Deflation Factor (GDP DF). HB186 also includes Temporary Tax Credits (claw back) provision that takes back tax revenue that has already been collected by school districts beginning with reappraisals and triennial updates that occurred before the effective date of the law retroactive back to tax year 2023, 2024 and 2025. These are funds that have already been realized and have been spent and/or included in future educational planning. While skyrocketing home values resulted in the need for property tax reform that limits tax growth for taxpayers, the retroactive claw back of taxes already paid is very detrimental to districts like ours at the 20-mill floor. Our district is not at the 20-mill floor and we do not anticipate any impact on our taxes at this time.
- HB309 allows County Budget Commissions (CBC's) to reduce any voter-approved levy (except debt) to bring taxes levied within levels the CBC finds reasonable and prudent to avoid unnecessary collections. This law gives locally elected CBC officials the power to override voter-approved levies and local school board fiscal decisions. The impact of this new law is indeterminable and can be administered inconsistently in 88 counties across Ohio.
- HB335 limits revenue growth from inside millage due to valuation reappraisals or triennial updates to no more than the Gross Domestic Product Deflation Factor (GDP DF). Being off the 20-mill floor will expose our district to adjustments to inside millage if future revaluations exceed the GDP DF. HB479 that becomes law September 23, 2026, corrected inside millage language in HB335 so that any inside millage adjustment occurs only in the home county during revaluations if districts are in multiple counties. Any future inside millage adjustment is indeterminable at this time. Our district plans to project at or below anticipated GDP DF to avoid impacting our property tax projections resulting from inflation cap adjustments on inside millage collections.

Because the new accelerated August filing deadline for school district forecasts and the enormity of the property tax law changes, second half property tax bills have been delayed along with later final due dates. This will delay second half final actual tax settlement data with which to update our forecast with which will be beyond the August filing date. We have estimated revenues and expenses based on the data available and understanding of the new property tax laws. As authoritative data concerning HB186 is made available to the district changes may need to be made to the forecast that may or may not be significant.

- II. Property tax collections are the single largest revenue source for the school system and a significant risk to the forecast. We project growth in appraised values every three (3) years that aligns with the new HB186 and HB335 Gross Domestic Product Deflation Factor (GDP DF) and new construction growth. The effects of HB186 and HB335 will be to limit property tax growth following reappraisals and

updates. Total local revenues, predominately local taxes, equate to 39.2% of the district's resources. As noted above, HB186 indicates any adjustment for prior year appraisals and updates that exceeded GDP DF in reappraisals and triennial updates that occurred in tax years 2023, 2024 and 2025 will result in possible significant reductions (claw back) in the second half property tax collections that typically occur in August to September 2026. If the Ohio Department of Taxation (ODT) determines adjustments are required due to HB186, further reductions in Tax Year 2026 collected in calendar year 2027 taxes will also result. We have included any estimated adjustment for HB186 and HB335 in Line 1.01 assumptions below.

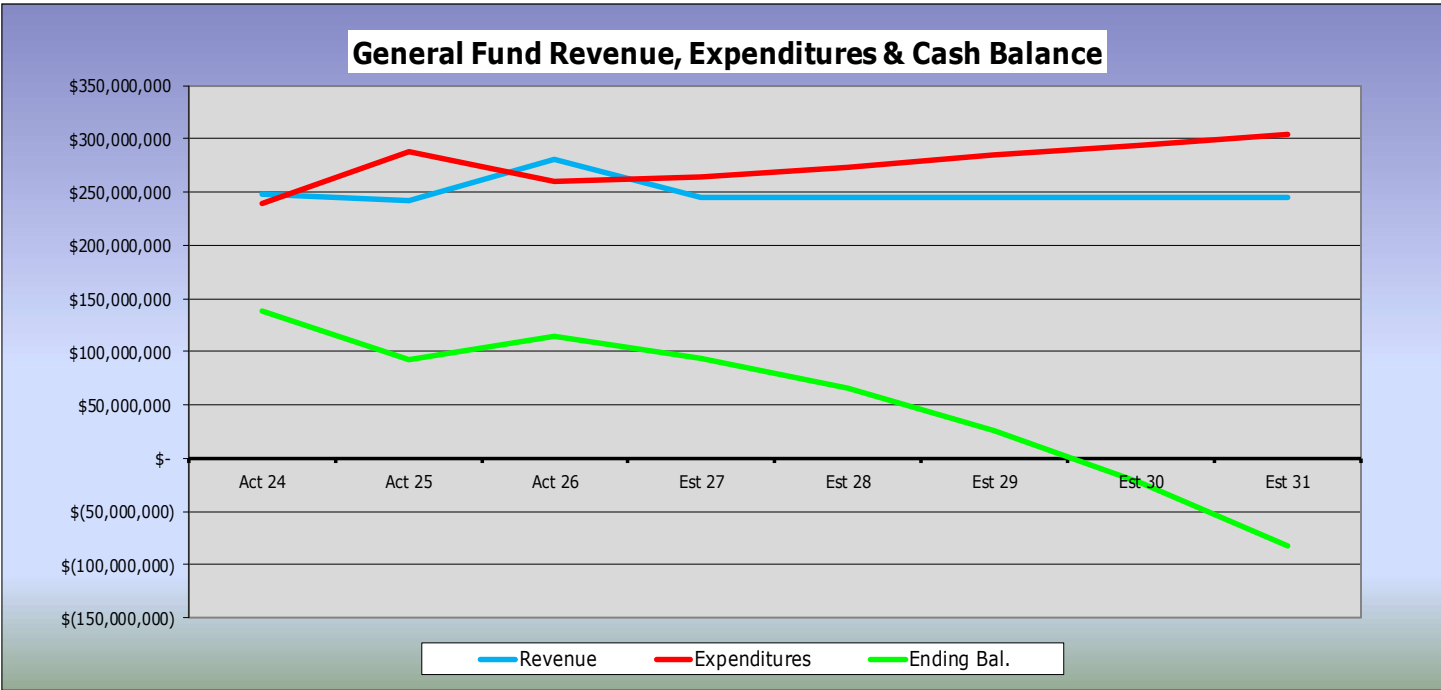
- III. Montgomery County experienced a reappraisal update for all property values in the 2023 tax year to be collected in FY24. The 2023 update increased assessed values by \$364.5 million, or 24.3%. Overall values rose \$385.1 million or 23.5%, including reappraisal and new construction for all property classes. A full reappraisal will occur in the tax year 2026 for collection in FY27. We anticipate value increases for Class I (Residential/Agriculture) and Class II (Commercial/Industrial) property within the Gross Domestic Product Deflation Factor range of 7% to 9%. We do not anticipate any impact of HB186 or HB335 on our future tax projections due to our estimates for future growth in revaluations being in line with anticipated GDP DF.
- IV. HB96, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY27. FY27 reflects 100% of the implementation cost of the (FSFP). HB96 did not increase the base cost inputs (no increase from the state on formula funding) while allowing local capacity inputs to increase. This causes more districts to appear to have greater local ability to fund their schools thus reducing the amount of State Aid they receive. We have used the most recent FY27 foundation payment published by the Department of Education and Workforce for our forecasted revenues in FY27-FY31. We are considered a formula) district and do not anticipate increases in state aid.
- V. HB96, the current state biennium budget also enacted a new provision called "Piggyback Property Tax Exemptions". This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. Current Homestead and 2.5% owner occupied credits are reimbursed to the district from the state of Ohio. These "Piggyback Property Tax Exemptions" would NOT be reimbursed. The extended tax credits for qualifying taxpayers would result in reduced property tax collections for the school district of roughly \$2.5 million from current operating levies, if our County Commissioners implement this. This new law creates a potential risk to our local tax collections.

Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the resource challenges we face. We believe as we move forward our positive working relationship will continue and will only grow stronger.

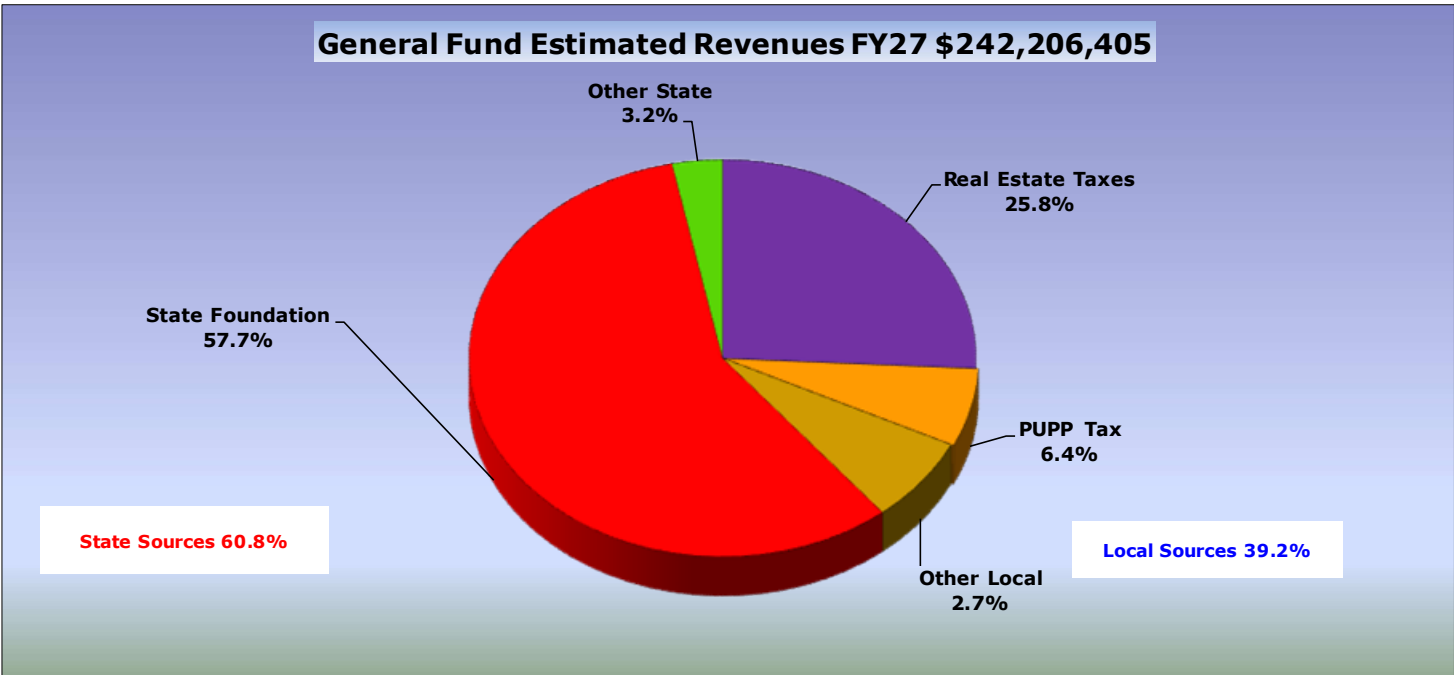
The major categories of revenue and expenditure on the forecast are noted below in the headings to make it easier to reference the assumptions made for the forecast item. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please feel free to contact Hiwot Abraha, Treasurer/CFO of Dayton City School District.

General Fund Revenue, Expenditures and Ending Cash Balance Actual FY24-26 and Estimated FY27-31

The graph captures in one snapshot the operating scenario facing the district over the next few years.



Revenue Assumptions
Estimated General Fund Revenues FY27



Property Valuation Value Assumptions – Line #1.010

Property Values are established annually by the County Auditor based on new construction, demolitions, BOR/BTA activity, and complete reappraisal or updated values. New HB186 allows new construction growth in property taxes irrespective of Gross Domestic Product Deflation Factor limits.

Montgomery County experienced an update in the 2023 tax year to be collected in 2024. The 2023 update increased Class I residential property by 30.73% and Class II commercial property increased by 7.91% and overall values rose \$385.1 million or 23.5% increase. A reappraisal update will occur in the tax year 2026 for collection in FY27. We anticipate value increase of 6% for Class I and 1% for Class II property for an overall increase of 4.8% or \$89.3 million in value.

Public Utility Personal Property (PUPP) grew in Tax Year 2023 by \$20.6 million due to reinvestments being made by utilities statewide. This will increase revenue long range for the district.

We have been conservative with any future value increases for reappraisal or updates due to uncertainty over pending legislative as noted in the Forecast Risks and Uncertainty above.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2026	TAX YEAR 2027	TAX YEAR 2028	TAX YEAR 2029	TAX YEAR 2030
<u>Classification</u>	<u>COLLECT 2027</u>	<u>COLLECT 2028</u>	<u>COLLECT 2029</u>	<u>COLLECT 2030</u>	<u>COLLECT 2031</u>
Res./Ag.	\$1,424,911,509	\$1,424,811,509	\$1,424,711,509	\$1,424,611,509	\$1,424,511,509
Comm./Ind.	525,842,090	529,742,090	533,642,090	537,542,090	541,442,090
Public Utility Personal Property (PUPP)	<u>229,305,737</u>	<u>231,305,737</u>	<u>233,305,737</u>	<u>235,305,737</u>	<u>237,305,737</u>
Total Assessed Value	<u>\$2,180,059,336</u>	<u>\$2,185,859,336</u>	<u>\$2,191,659,336</u>	<u>\$2,197,459,336</u>	<u>\$2,203,259,336</u>

Tax Rates

The county auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law provides for “reduction factors” of all voted property tax levies to adjust the millage rates lower for the levy to not increase from inflation of property values for the taxes received by a district to that of the actual amount of the levy at the time of the election. The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II), resulting in different effective millage rates. The district-voted rate for all levies is 67.55 mills while the Class I effective millage rate is 29.21 mills and the Class II effective millage rate is 56.62 mills. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills, which includes both the voted and the non-voted millage rates; this is called the “20-Mill Floor”. Currently, our district is not on the floor for either Class I or Class II.

HB129 is a new law that restores fixed sum levies and now includes them in the 20-mill floor calculation. HB129 will be in effect following the tax year 2026 reappraisal/triennial update. Our district does not have fixed sum, or emergency, levies, therefore, this will not impact our forecast.

Estimated Real Estate Tax Collection Assumptions & New Tax Laws

HB96 enacted a new provision called “Piggyback Property Tax Exemptions”. This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. Our county commissioners did not vote to approve further Piggyback Property Tax Exemptions for tax year 2025. County commissioners have until December 2026 to implement this tax credit for tax year 2026. We will adjust the forecast in the future accordingly.

HB186 is a new law that establishes an Inflation Cap Credit for school district property taxes, preventing increases beyond the Gross Domestic Product Deflation Factor (GDP DF) in reappraisal and triennial updates. HB186 also includes Temporary Tax Credits (claw back) provision that retroactively takes back property tax revenue that has

already been collected. For impacted districts this starts with their reappraisal or triennial updates in tax years 2023, 2024 and 2025. These funds have already been realized and have been spent and/or included in future educational planning.

Our is not at the 20-mill floor and all operating levies are affected by HB920 reduction factors which inflation proofs these current expense levies. We do not anticipate any claw back of previously paid taxes.

HB335 is a new law that limits revenue growth from inside millage due to valuation reappraisals or triennial updates to the Gross Domestic Product Deflation Factor (GDP DF) for future real estate tax revenue growth. We have not forecasted any increases for future reappraisals/triennial updates above anticipated GDP DF, thus no adverse impact to the forecasted property tax revenue is anticipated from this new law.

We have been conservative with any future value increases for reappraisal or updates due to implementation uncertainty over the new legislative changes as noted in the Forecast Risks and Uncertainty above.

ESTIMATED REAL ESTATE TAX (Line #1.010)

<u>Source</u>	FY27	FY28	FY29	FY30	FY31
General Property Taxes	\$62,524,763	\$63,425,595	\$63,430,430	\$63,571,457	\$63,844,029
Piggyback Exemption HB96	0	0	0	0	0
Other Tax Adjustments	0	0	0	0	0
General Property Taxes	<u>\$62,524,763</u>	<u>\$63,425,595</u>	<u>\$63,430,430</u>	<u>\$63,571,457</u>	<u>\$63,844,029</u>

Property tax levies are estimated to be collected at 90.66% of the annual amount. This allows a 9.34% current delinquency. Typically, 53.25% of the new residential/agriculture (Res/Ag) and commercial/industrial (Comm/Ind) is expected to be collected in the February tax settlements and 46.75% is expected to be collected in the August tax settlements.

Estimated Tangible Personal Tax & PUPP Tax – Line #1.020

The amounts below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted in the table above under P.U. Personal, which was \$187.5 million in assessed values in 2025 and is collected at the district’s gross voted millage rate. Collections are typically 50% in March and 50% in August, along with the real estate settlements from the county auditor. The values in 2025 rose by 13.1% or \$21.8 million and are expected to grow by \$2 million each year of the forecast.

<u>Source</u>	FY27	FY28	FY29	FY30	FY31
TPP & PUPP Tax Revenues	<u>\$15,422,053</u>	<u>\$15,557,153</u>	<u>\$15,692,253</u>	<u>\$15,827,353</u>	<u>\$15,962,453</u>
Total Line #1.020	<u>\$15,422,053</u>	<u>\$15,557,153</u>	<u>\$15,692,253</u>	<u>\$15,827,353</u>	<u>\$15,962,453</u>

Renewal and Replacement Levies – Line #11.020

All levies are currently continuing.

New Tax Levies – Line #13.030

No new levies are modeled in this forecast.

State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045

Current State Funding Model per HB96 through June 30, 2027

A) Unrestricted State Foundation Revenue – Line #1.035

HB96, the current state budget, continued the Fair School Funding Plan for FY26 and FY27, which funds students where they are educated rather than where they live. We have projected FY26 funding based on the most current foundation settlement and funding factors.

Our district is currently a formula district in FY26 and is expected to continue to be on the formula in FY27-FY31 on the new Fair School Funding Plan (FSFP).

A detailed overview of how foundation funding is calculated including all of the HB96 changes on the Ohio Department of Education and Workforce is not available at this time. When a detailed analysis is available, please visit the Ohio Department of Education and Workforce at: <https://education.ohio.gov/Topics/Finance-and-Funding/Overview-of-School-Funding>.

State Funding FY26-FY27

The Fair School Funding Plan was presented as a six (6) year phase-in plan, the state legislature approved the final two (2) years of the funding plan in HB96 phasing in funding at 83.33% in FY26 and then 100% in FY27. However, the legislature did not increase the funding base inputs from FY25. In other words, the legislature did not increase funding in the foundation formula. They did increase transportation funding's state share percentage to 45.83% in FY26, and 50% in FY27, which could increase funding, and; they added three (3) Supplemental Payments outside the formula: a Base Funding Supplement, Enrollment Growth Supplement and Performance Supplement.

The Base Funding Supplement will be paid to all districts. The funding supplement per pupil is \$27 in FY26 and \$40 in FY27.

The Enrollment Growth Supplement is paid to eligible districts based on the current FY26 enrolled ADM multiplied by \$225 per student, and in FY27 based on FY27 enrolled ADM multiplied by \$250. To be eligible enrolled ADM growth between FY22 and FY25 must equal or exceed 5% growth, and FY27 enrolled ADM growth between FY23 and FY26 must equal or exceed 3%. Our district is estimated to receive \$3,027,547 in FY27

The Performance Supplement was included in HB96. The eligibility for the supplement payment uses data from the state report card for the 2024-2025 school year for FY26 and 2025-2026 school year for FY27; the payment will be a separate payment of \$13 per pupil in FY26 and FY27. Our district does not qualify for this payment.

The funding formula eliminated the Supplemental Targeted Assistance guarantee beginning in FY26, but still includes two (2) primary guarantees: 1) Formula Transition Aid, and 2) Formula Transition Supplement. The two (2) guarantees in both temporary and permanent law ensure that no district will get fewer funds in FY26 and FY27 than they received in FY21.

Future State Budget Projections beyond FY27

Our funding status for FY28-FY31 will depend on unknown two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan will be continued in future biennial budget processes; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative data to work with. For this reason, funding is held constant in the forecast for FY28 through FY31.

Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed four (4) casinos to open in Cleveland, Toledo, Columbus, and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% of Gross Casino Revenue that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year, beginning for the first time on January 31, 2013.

In FY26, the funding totaled \$108.29 million or \$68.14 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 1.5% annual growth rate for the remainder of the forecast.

<u>Source</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Basic Aid-Unrestricted	\$114,172,778	\$114,172,778	\$114,172,778	\$114,172,778	\$114,172,778
Additional Aid Items	<u>5,379,634</u>	<u>5,379,634</u>	<u>5,379,634</u>	<u>5,379,634</u>	<u>5,379,634</u>
Basic Aid-Unrestricted Subtotal	119,552,412	119,552,412	119,552,412	119,552,412	119,552,412
Ohio Casino Commission ODT	<u>831,590</u>	<u>845,458</u>	<u>858,847</u>	<u>872,807</u>	<u>886,992</u>
Total Unrestricted State Aid Line #1.035	<u>\$120,384,002</u>	<u>\$120,397,870</u>	<u>\$120,411,259</u>	<u>\$120,425,219</u>	<u>\$120,439,404</u>

B) Restricted State Revenues – Line #1.040

HB96 has continued Disadvantaged Pupil Impact Aid, Career Technical, Gifted, English Learners (ESL), and Student Wellness funding. We have estimated revenues for these new restricted funding lines using the most current funding factors available. We were notified in January that the state of Ohio overspent their Science of Reading Appropriation and will be reducing our funding \$47,641 to recover funds previously paid. We were also notified that Threshold reimbursements in FY26, and future years, are likely to be reduced by 30% from FY25 levels due to fixed state appropriations.

For fiscal years 2026 and 2027, HB96 modifies how DPIA is calculated by factoring in both directly certified and economically disadvantaged students. The new formula modified the weight given to these student groups over the biennium. The new DPIA formula modified the weight given to these student groups over the biennium which has resulted in calculated DPIA state funding in FY26 being \$86.6 million less than in FY25.

<u>Source</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
DPIA	\$11,515,012	\$11,515,012	\$11,515,012	\$11,515,012	\$11,515,012
Career Tech - Restricted	\$1,610,674	\$1,610,674	\$1,610,674	\$1,610,674	\$1,610,674
Gifted	\$526,592	\$526,592	\$526,592	\$526,592	\$526,592
ESL	\$2,410,835	\$2,410,835	\$2,410,835	\$2,410,835	\$2,410,835
Student Wellness	\$3,035,031	\$3,035,031	\$3,035,031	\$3,035,031	\$3,035,031
Other Restricted State Funding	<u>\$150,740</u>	<u>\$150,740</u>	<u>\$150,740</u>	<u>\$150,740</u>	<u>\$150,740</u>
Total Restricted State Revenues Line #1.040	<u>\$19,248,884</u>	<u>\$19,248,884</u>	<u>\$19,248,884</u>	<u>\$19,248,884</u>	<u>\$19,248,884</u>

C) Restricted Federal Grants in Aid – Line #1.045

There are no federal restricted grants projected during this forecast.

Total State Aid Summary

<u>Summary of State Foundaton Revenues</u>	FY27	FY28	FY29	FY30	FY31
Unrestricted Line #1.035	\$120,384,002	\$120,397,870	\$120,411,259	\$120,425,219	\$120,439,404
Restricted Line #1.040	19,248,884	19,248,884	19,248,884	19,248,884	19,248,884
Restricted Federal Grants - #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$139,632,886</u>	<u>\$139,646,754</u>	<u>\$139,660,143</u>	<u>\$139,674,103</u>	<u>\$139,688,288</u>

State Taxes Reimbursement/Property Tax Allocation

a) Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given to owner-occupied residences. Credits equal 12.5% of the gross property taxes charged to residential taxpayers on levies passed before September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013. And Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled.

HB96 began a phase down of the 10% rollback credit that has been in effect since 1971 and an equal phase up of the Owner Occupied Credit (OOC) that has been in effect since 1978. In addition, HB96 increased the OOC by 2.88% by phasing it in over four (4) years starting in tax year 2026. The table below shows the phasing of these changes. Eventually there will be some amount of 10% rollback for non-timber farmland but we will need tax settlement sheets to determine that amount. But these amounts are fully reimbursed to the school district when deducted from Class I property tax bills. Homestead credits vary annually based on applicants and eligibility.

The state of Ohio passed HB479 was signed June 24, 2026, and becomes effective September 23, which included a one-time doubling of the homestead exemption credit to start with tax bills in calendar 2027. This is a one-time only increase to help homeowners is estimated to provide \$350 million in taxpayer relief for qualified Homestead applicants and will be reimbursed to local governments from a \$2.0 billion surplus in the state budget at the end of May 2026. There were also technical adjustments that if HB186 inflationary tax credits are present, they will be applied after the homestead credits are determined to maximize the credit for homeowners. This will cost the state an addition \$44 million annually which will also be reimbursed to local governments if applicable. The \$44 million increase is ongoing.

HB186 10% Phase down and OCC Phase up					
	TY25	TY26	TY27	TY28	TY29
	Collect CY26	Collect CY27	Collect CY28	Collect CY29	Collect CY30
10% Rollback*	10.00%	7.50%	5.00%	2.50%	0.00%
2.5% OOC	2.50%	5.00%	7.50%	10.00%	12.50%
HB96 Inc. OCC	0.00%	0.72%	1.44%	2.16%	2.88%
Total	12.50%	13.22%	13.94%	14.66%	15.38%
Homestead	varies	2x	varies	varies	varies
*Non-timber farm land will still keep 10% rollback					

Summary of State Tax Reimbursement – Line #1.050

<u>Source</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Rollback and Homestead	\$7,747,602	\$7,126,373	\$7,423,306	\$7,581,958	\$7,586,335
HB186 Partial Reimbursement	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
State Reimbursement for Property Tax Credits	<u>\$7,747,602</u>	<u>\$7,126,373</u>	<u>\$7,423,306</u>	<u>\$7,581,958</u>	<u>\$7,586,335</u>

Other Local Revenues – Line #1.060

The main sources of revenue in this area have been tuition for court placed students, student fees, Federal Impact Aid, Medicaid reimbursements and general rental fees. These revenue sources are expected to remain relatively stable. Interest income is based on the district's cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. Interest income remained steady in FY26 due to laddered investment strategies, expected Federal Reserve rate cuts and declining cash balances will begin to have an impact on earnings in FY27 and future years. We will continue to monitor the investments for the district.

<u>Source</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Tuition and Excess Costs	\$3,585,759	\$3,621,617	\$3,657,833	\$3,694,411	\$3,731,355
Interest	6,664,415	6,331,194	6,014,634	5,713,902	5,428,207
Medicaid, ROTC & Erate	4,204,304	4,246,344	4,288,804	4,331,689	4,375,003
Rentals	0	0	0	0	0
Other Income	<u>2,424,623</u>	<u>2,448,869</u>	<u>2,473,358</u>	<u>2,498,092</u>	<u>2,523,073</u>
Total Line #1.060	<u>\$16,879,101</u>	<u>\$16,648,024</u>	<u>\$16,434,629</u>	<u>\$16,238,094</u>	<u>\$16,057,638</u>

Short-Term Borrowing – Lines #2.010 & Line #2.020

There is no short-term borrowing planned for in this forecast at this time from any sources.

Transfers In / Return of Advances – Line #2.040 & Line #2.050

These are non-operating revenues which are the repayment of short-term loans to other funds during the previous fiscal year and reimbursements for expenses incurred in the previous fiscal year. All advances during the current year are planned to be returned in the succeeding fiscal year. The \$38,208,087 transfer of funds in FY 26 is \$13 million from the Worker compensation Fund (027) that was recommended by the auditor of state's office and also, the board approved a transfer of \$25,000,000 from Capital improvement fund (070) for operating needs in general fund. This is a one-time event.

<u>Source</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Transfers In - Line #2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line #2.050	<u>2,264,926</u>	<u>2,264,926</u>	<u>2,264,926</u>	<u>2,264,926</u>	<u>2,264,926</u>
Total Transfer & Advances In	<u>\$2,264,926</u>	<u>\$2,264,926</u>	<u>\$2,264,926</u>	<u>\$2,264,926</u>	<u>\$2,264,926</u>

All Other Financial Sources – Line #2.060

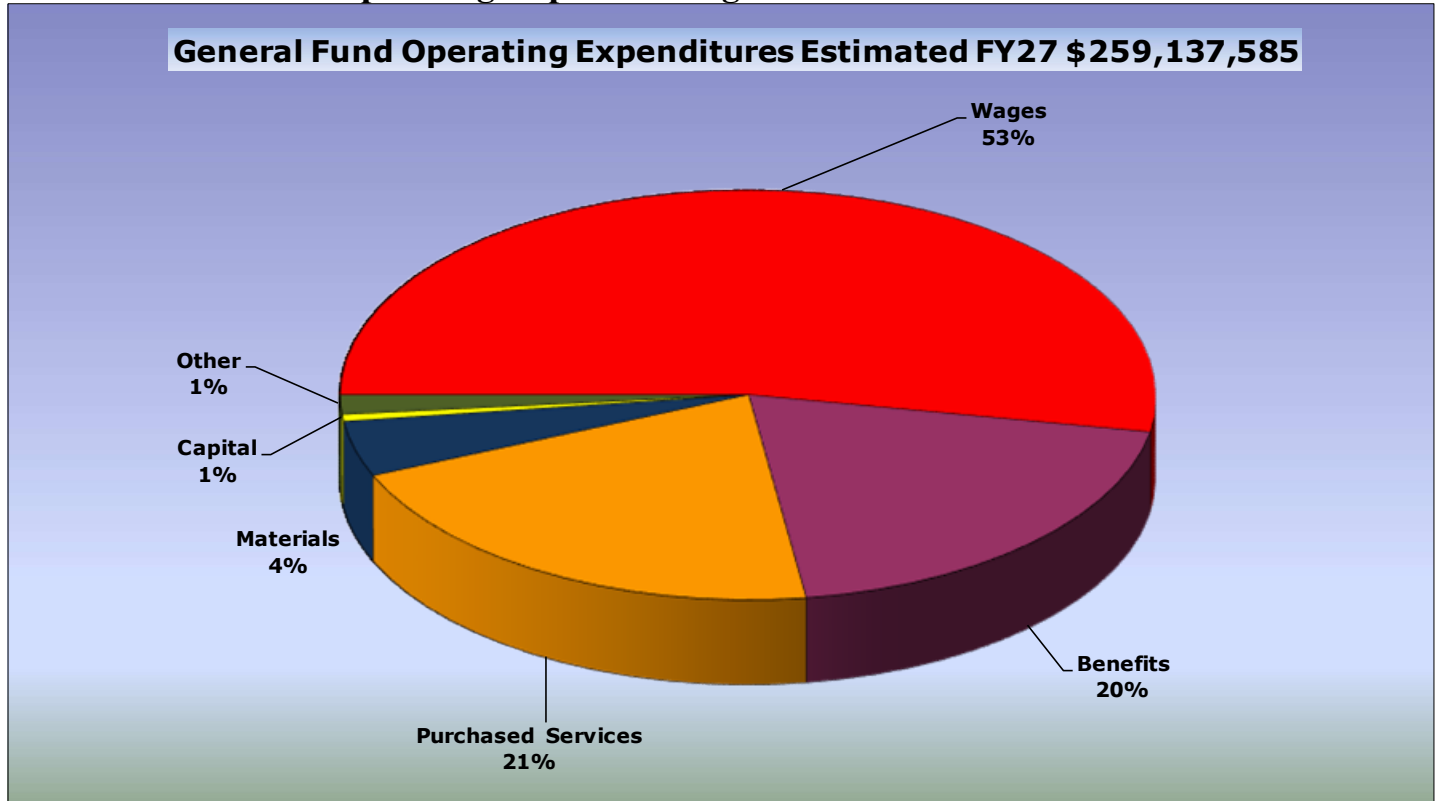
The amount reflected in refund of prior year expenditures line for FY25 reports the \$7,036 is for other miscellaneous refunds. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast.

	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Refund of prior years expenditures	<u>\$34,345</u>	<u>\$34,345</u>	<u>\$34,345</u>	<u>\$34,345</u>	<u>\$34,345</u>

Expenditures Assumptions

The district's leadership team is always looking at ways to improve the education of the students whether it be with changes in staffing, curriculum, or new technology needs. As the administration of the district reviews expenditures, the education of the students is always the main focus for resource utilization.

All Operating Expense Categories - General Fund FY27



Wages – Line #3.010

The expenditures in this category are for salaries and wages for services rendered for all union and non-union employees. In addition to cost-of-living wage increases, a majority of employees who are paid on a salary schedule receive vertical step increases based on years of experience. Additionally, certified staff can move horizontally between ranges on the salary schedule by furthering their education (i.e. bachelor's degree to master's degree, etc.). Union employees are represented by eleven different associations. Professional staff members are represented by the Dayton Education Association (DEA). In June 2025, DEA and the District approved a new Master Contract effective July 1, 2025, through June 30, 2027. All eleven other unions have agreements through June 2026.

We have approved wage increases and wage adjustments to retain and attract additional high-quality staff at all levels of the organization.

<u>Source</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Base Wages	\$126,046,709	\$131,718,811	\$136,987,563	\$142,467,066	\$146,741,078
Contractual Increases	5,672,102	5,268,752	5,479,503	4,274,012	4,402,232
Science of Reading Stipend/ Other Stipends	0	0	0	0	0
Unfunded Recapture - 467&507 (July, August and September)	0	0	0	0	0
Substitutes and Temporaries	1,071,240	1,071,240	1,071,240	1,071,240	1,071,240
Supplemental/Overtime	4,322,380	4,322,380	4,322,380	4,322,380	4,322,380
Staff Additions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Wages Line #3.010	<u>\$137,112,431</u>	<u>\$142,381,183</u>	<u>\$147,860,686</u>	<u>\$152,134,698</u>	<u>\$156,536,930</u>

Fringe Benefits Estimates Line #3.020

This area of the forecast captures all costs associated with benefits and retirement costs, which all except health insurance are directly related to the wages paid.

A. STRS/SERS

The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law. Also, the district pays 6% of the employee portion STRS/SERS for the Administrators and District Support Staff. In addition, SERS Levies a surcharge for part time employees who earn less than \$25,000 and there is a minimum of \$2,520 if a classified employee earns less than \$7,000. There is a cap of 2% of total district payroll. In addition, SERS cannot collect more than 1.5% of the total statewide payroll.

B. Insurance

Health care coverage is provided for employees on a self-insured basis up to stop loss limit of \$350,000 specific claim. Claims are funded based upon per employee charge. The district contributes 85% of the medical premium for full time staff and less for part time staff. The district also contributes 90% of the dental and vision premiums. The health insurance plan is administered as a high deductible health plan (HDHP) with a health savings account (HSA). The board's contribution to the health savings account \$750 for single plan and \$1,500 for a family plan. The estimated increases for medical, vision and dental insurance are 7.5-8.5% for benefit years 2024 through 2028. The above increases include adjustments for inflation, historical trends and the function of the health insurance committee to maintain control of costs.

C. Workers Compensation & Unemployment Compensation

Workers Compensation continues in a Group Retrospective Rating Program. Unemployment Compensation has been negligible and is anticipated to remain as such as we plan our staffing needs carefully.

D. Medicare

Medicare will continue to increase at the rate of increase of wages. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

Summary of Fringe Benefits – Line #3.020

<u>Source</u>	FY27	FY28	FY29	FY30	FY31
A) STRS/SERS	\$19,990,165	\$20,803,376	\$21,647,811	\$22,327,184	\$23,024,121
B) Insurance's	26,191,028	28,417,265	30,832,733	33,453,515	36,297,064
C) Workers Comp/Unemployment	1,469,152	1,521,840	1,576,635	1,619,375	1,663,397
D) Medicare	1,938,701	2,025,943	2,117,110	2,212,380	2,311,937
Other/Tuition	<u>1,814,697</u>	<u>1,814,697</u>	<u>1,814,697</u>	<u>1,814,697</u>	<u>1,814,697</u>
Total Fringe Benefits Line #3.020	<u>\$51,403,743</u>	<u>\$54,583,121</u>	<u>\$57,988,986</u>	<u>\$61,427,151</u>	<u>\$65,111,216</u>

Purchased Services – Line #3.030

Excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been adjusted based on historical trends. In FY26 there will be a new electric Capacity Charge that will be assessed on all electric bills to help expand Ohio's electric generating ability. This charge will begin June 2025 and end June 2026. It is anticipated it will increase electric costs by 20% annually for just that twelve (12) month period.

<u>Source</u>	FY27	FY28	FY29	FY30	FY31
Base Services	(\$1,475,077)	(\$1,489,828)	(\$1,534,523)	(\$1,580,559)	(\$1,627,976)
Instructional & Professional Services	24,275,631	24,761,143	25,503,977	26,269,096	27,057,169
Tuition SF-14, CC Plus and Ed Scholarship-479	557,842	568,999	586,069	603,651	621,761
Excess Cost and SF14 470-475	11,215,740	11,440,055	11,783,257	12,136,755	12,500,858
Sub Teachers and Paras (ESS contract)	3,647,106	3,720,049	3,794,450	3,870,339	3,947,745
IT support services (Sentenial)	1,818,600	1,818,600	1,818,600	1,818,600	1,818,600
Challenger center	0	0	0	0	0
Bus passes (highschool)	2,182,698	2,226,352	2,226,352	2,226,352	2,226,352
Building & Transportation Services	5,843,185	5,960,049	6,138,850	6,323,016	6,512,706
Utilities	<u>5,819,764</u>	<u>6,110,752</u>	<u>6,294,075</u>	<u>6,482,897</u>	<u>6,677,384</u>
Total Purchased Services Line #3.030	<u>\$53,885,489</u>	<u>\$55,116,171</u>	<u>\$56,611,107</u>	<u>\$58,150,147</u>	<u>\$59,734,599</u>

Supplies and Materials – Line #3.040

An overall inflation of 3% for FY26-30 is being estimated for this category of expenses which are characterized by textbooks, copy paper, maintenance supplies and fuel. The administration will continue to invest additional monies into the textbooks and Chrome Books to improve the curriculum for the students.

<u>Source</u>	FY27	FY28	FY29	FY30	FY31
Supplies	\$6,486,398	\$6,616,126	\$6,814,610	\$7,019,048	\$7,229,619
Transportation	2,269,203	2,314,587	2,384,025	2,455,546	2,529,212
Textbooks & Technology	1,272,213	1,297,657	1,336,587	1,376,685	1,417,986
Building Supplies	<u>1,315,133</u>	<u>1,341,436</u>	<u>1,381,679</u>	<u>1,423,129</u>	<u>1,465,823</u>
Total Supplies Line #3.040	<u>\$11,342,947</u>	<u>\$11,569,806</u>	<u>\$11,916,901</u>	<u>\$12,274,408</u>	<u>\$12,642,640</u>

Equipment – Line #3.050

For FY 2022 through FY2030 we included a capital plan around all building and Technology improvements. The district also issued \$20 million in debt for facility improvements. The General Fund will transfer the payment annually to the Permanent Improvement Fund to retire any of this debt we issue.

Source	FY27	FY28	FY29	FY30	FY31
Capital Outlay	\$500,000	\$515,000	\$530,450	\$546,364	\$562,754
Building Improvements	305,711	314,882	321,180	321,180	321,180
Technology	609,301	627,580	640,132	640,132	640,132
Buses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Equipment Line #3.050	<u>\$1,415,012</u>	<u>\$1,457,462</u>	<u>\$1,491,762</u>	<u>\$1,507,675</u>	<u>\$1,524,066</u>

Debt Service:

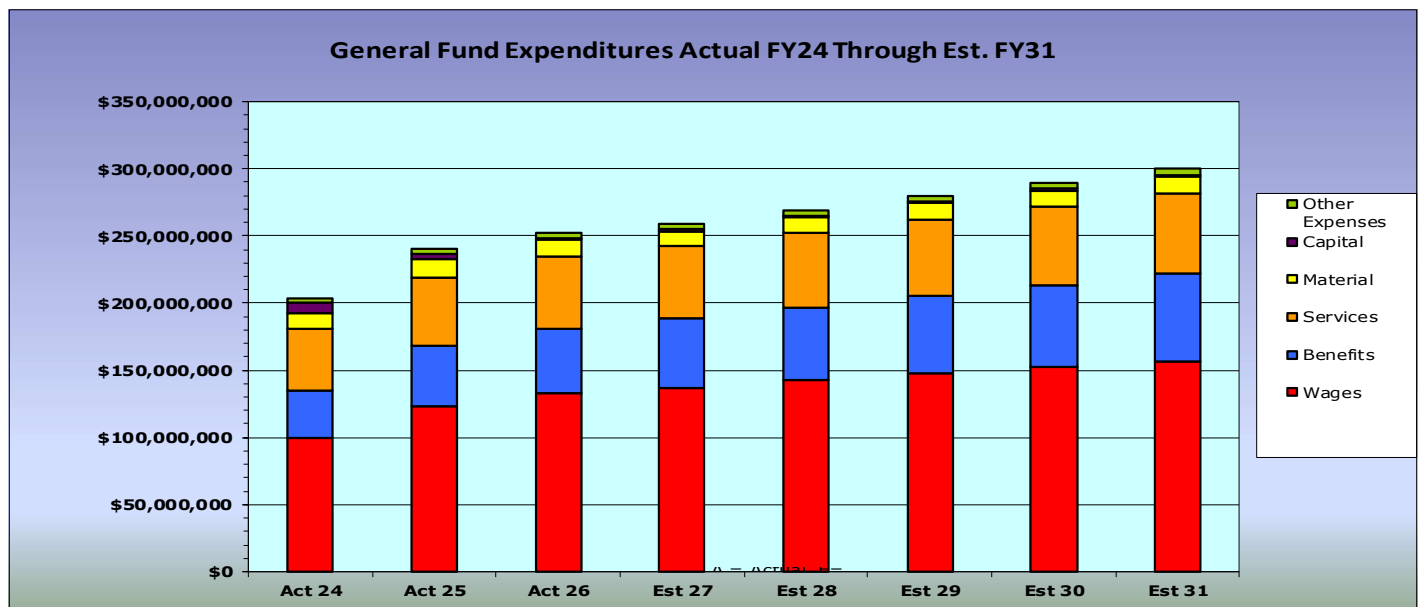
The district completely amortized the purchase of \$9.2 million bus fleet lease that is complete in November of 2023.

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of the County ESC deductions for specialized services provided to the District and Auditor & Treasurer (A&T) fees. Auditor and Treasurer Fees will increase with new construction as more dollars are collected. As a result, A&T fees noted below are expected to increase 1.0% for FY 26-FY30.

Source	FY27	FY28	FY29	FY30	FY31
County Auditor & Treasurer Fees	\$863,630	\$880,903	\$889,712	\$898,609	\$907,595
County ESC	125,000	125,000	125,000	125,000	125,000
Other expenses	<u>2,989,333</u>	<u>3,079,013</u>	<u>3,171,383</u>	<u>3,266,524</u>	<u>3,364,520</u>
Total Other Expenses Line #4.300	<u>\$3,977,963</u>	<u>\$4,084,916</u>	<u>\$4,186,095</u>	<u>\$4,290,133</u>	<u>\$4,397,115</u>

Total Expenditure Categories Actual Fiscal Year 2024 through Fiscal Year 2026 and Estimated Fiscal Year 2027 through Fiscal Year 2031



Transfers Out/Advances Out – Line #5.010

This account group covers fund to fund transfers not to be paid back the General Fund or advances which are end of year short term loans from the General Fund to other funds until they have received reimbursements to repay the General Fund. The FY25-FY29 transfers will be to the Permanent Improvement Fund for the Capital Building Projects debt service payment.

<u>Source</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Operating Transfers Out #5.010- Debt Service	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
Advances Out Line #5.020	<u>2,264,926</u>	<u>2,264,926</u>	<u>2,264,926</u>	<u>2,264,926</u>	<u>2,264,926</u>
Total Transfer & Advances Out	<u>\$4,764,926</u>	<u>\$4,764,926</u>	<u>\$4,764,926</u>	<u>\$4,764,926</u>	<u>\$4,764,926</u>

Encumbrances –Line #8.010

These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.

	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Estimated Encumbrances	<u>\$9,502,745</u>	<u>\$9,502,745</u>	<u>\$9,502,745</u>	<u>\$9,502,745</u>	<u>\$9,502,745</u>

Reservation of Fund Balance “Budget Reserve” - Line #9.030

In December of 2014 the Board of Education passed Board Policy DBDA. The Board believes that the creation and maintenance of a cash balance reserve of five percent (5%) of operating expenditures is both prudent and necessary and in the interest of sound fiscal management.

The Board affirms and declares that tax levies shall be pursued, and or the School District’s finances otherwise be managed, to ensure a general fund cash balance equivalent to at least five percent (5%) of general fund operating expenditures.

Upon receiving any indication that such a cash balance may not be maintained for any year during the current five-year financial forecast period, the Treasurer shall report such a finding to the Board. The Superintendent and Treasurer will propose options that the Board may consider.

<u>Source</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Budget Reserve-Line #9.030 (BOE Policy DBDA)	\$12,956,879	\$13,459,633	\$14,002,777	\$0	\$0
Total Reservations of Balance- Line#9.080	<u>\$12,956,879</u>	<u>\$13,459,633</u>	<u>\$14,002,777</u>	<u>\$0</u>	<u>\$0</u>

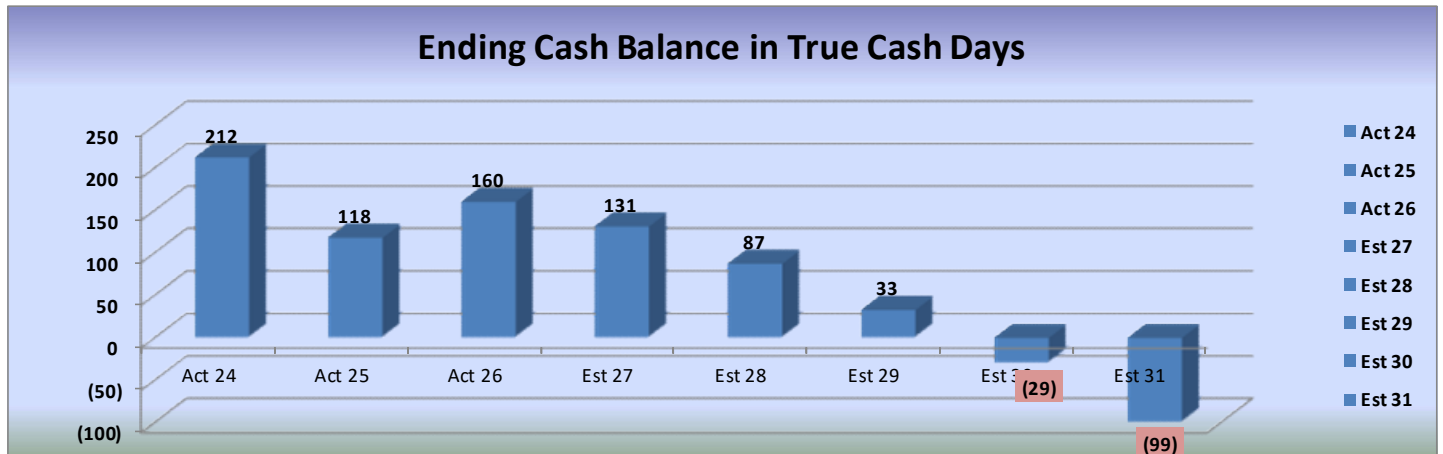
Ending Unencumbered Cash Balance “The Bottom-line” – Line #15.010

This amount must not go below \$-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of Ohio Revised Code section 5705.412, punishable by personal liability of \$10,000, unless an alternative “412” certificate can be issued pursuant to House Bill 153 effective September 30, 2011.

	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Ending Unencumbered Cash Balance	<u>\$ 72,270,381</u>	<u>\$ 42,513,212</u>	<u>\$ 2,089,639</u>	<u>\$ (33,264,485)</u>	<u>\$ (92,537,964)</u>

True Cash Days for Ending Cash Balance

Another way to look at ending cash is to state it in "True Cash Days". In other words, how many days could the district operate at year-end if no additional revenues were received? This is the current year's ending cash balance divided by (Current Years Expenditure/365 days) = number of days the district could operate without additional resources or a severe resource interruption. The Government Financial Officers Association (GFOA) recommends, regardless of size, that a district maintains unrestricted budgetary fund balance in their general fund of no less than two months (60 days) of regular general fund operating revenues or regular general fund operating expenditures. The district will have that amount at the end of FY26.



Conclusion

State law requires schools to operate with positive cash balances. Additional revenue and/or expenditure reductions will need to be considered prior to years where Line #7.020 Cash Balance June 30 is negative. Changes in circumstances and the availability of additional information make this forecast subject to revision. Given the uncertainty of future state budgets, local, state and national economic factors, FY27 and beyond may deviate significantly from the forecast due to state legislative changes in property tax and potential impacts of the new state funding formula for school districts in Sub. HB33.

As you read through the notes and review the forecast, remember that the forecast is based on the best information that is available to us at the time the forecast is prepared.

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Appendix C

**AUDITED BASIC FINANCIAL STATEMENTS FROM THE SCHOOL DISTRICT'S
FINANCIAL REPORT FOR FISCAL YEAR 2025**

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ANNUAL COMPREHENSIVE

FINANCIAL REPORT
FOR FISCAL YEAR ENDED
JUNE 30, 2025



DAYTON CITY SCHOOL DISTRICT
DAYTON, OHIO

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ANNUAL COMPREHENSIVE
FINANCIAL REPORT

OF THE

DAYTON CITY
SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2025

PREPARED BY
TREASURER'S OFFICE
HIWOT ABRAHA, TREASURER

130 SOUTH LUDLOW STREET
DAYTON, OHIO 45402

June 30, 2025



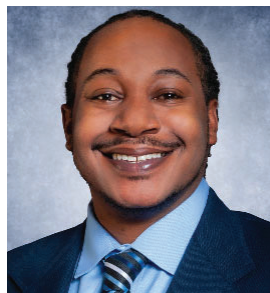
Chrisondra Goodwine, J.D.
President



William Bailey, Ph.D.
Vice President



Joseph Lacey.
Board Member



William Smith
Board Member



Karen Wick
Board Member



Eric Walker
Board Member



Jocelyn Spencer-Rhynard
Board Member



Dr. David Lawrence, Ph.D.
Superintendent



Hiwot Abraha
Treasurer/CFO



Dr. Marvin Jones, Ph.D.
Business Manager

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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
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Hiwot Abraha, Treasurer

December 29, 2025

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

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Dayton City School District (School District) for the fiscal year ended June 30, 2025. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the School District. This report is prepared in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. We believe the enclosed data is fairly presented in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District. We further believe all disclosures necessary to enable the reader to gain an understanding of the School District's financial activities have been included. This report has been prepared by the Treasurer/Chief Financial Officer's Office and includes an opinion from our independent auditors Clark, Schaefer, Hackett & Company.

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

Clark, Schaefer, Hackett & Company has issued an unmodified opinion on the School District's financial statements for the fiscal year ended June 30, 2025. The independent auditors' report is located in the front of the financial section of this report.

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

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

SCHOOL DISTRICT PROFILE

The School District and Its Facilities

The School District is located in Montgomery County (County) approximately 68 miles west of the City of Columbus and 52 miles north of the City of Cincinnati. The territory of the School District consists of a portion of two townships: Harrison and Jefferson, as well as portions of the City of Dayton (City), the City of Riverside, and the City of Trotwood. The School District's total area is approximately 49 square miles. The School District provides educational services, as mandated by State and/or federal laws, to children located within its boundaries. For the 2024-2025 school year, the School District was the 12th largest school district in the State of Ohio with 12,148 students.

In 2002, the School District renovated and/or constructed 26 schools through the Ohio School Facilities Commission Accelerated Urban School Construction Project. The total cost of the ten-year project was \$627 million dollar which were funded by state and locally. In 2003, the School District originally issued \$251.1 million bonds to cover the local cost. During the period of 2002 – 2012, the School District demolished 19 school buildings. The School District partnered with Sinclair Community College to create David H. Ponitz Career Technology Center High School. The high school offers students certificates arts and communication, business and information technology, health and education, and other trades. Beginning in fall 2020, the School District repurposed Meadowdale High School as an additional Career Technical HS. The building offers approximately 9 pathways. Upon completion of graduation, students are eligible for \$3,000 scholarships at Sinclair Community College as well as college credits. All of the new buildings are state of the art schools with technology ready classrooms and energy efficient features.

Organization of the School District

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

<u>Official</u>	<u>Office</u>	<u>Expiration of Current Term</u>	<u>Beginning of Tenure</u>
Chrisondra Goodwine, J.D.	Board President	12/31/2025	01/01/2022
William Bailey, Ph.D.	Board Vice President	12/31/2027	01/01/2024
Eric Walker	Board Parliamentarian	12/31/2027	01/01/2024
William Smith	Member	12/31/2027	01/01/2024
Karen Wick	Member	12/31/2025	01/01/2022
Joseph Lacey	Member	12/3/2025	01/01/2022
Jocelyn Spencer-Rhynard	Member	12/31/2025	01/01/2022

Duties and responsibilities of the Board of Education are found in the laws governing public education in Ohio. The Board of Education directly employs the Superintendent, Treasurer/CFO,

Internal Auditor and the Business Manager and serves as the legislative body of the School District. Board duties include:

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

The Superintendent of Schools is the chief executive officer of the School District. The Superintendent has the responsibility for managing and placing teachers and other employees, assigning the pupils to the proper schools and grades, and performing such other duties as determined by the Board. Dr. David Lawrence was appointed as the Superintendent effective February 20, 2024, and his current contract runs through July 31, 2027.

The Treasurer is the chief financial officer of the School District and is appointed by and reports directly to the Board for all financial operations, investments, and custody of all School District funds and assets, and also serves as Secretary to the Board. Mrs. Hiwot Abraha was appointed as the Treasurer/CFO effective August 1, 2016, and her current contract runs through July 31, 2027.

The Business Manager is the chief operating officer of the School District and is appointed by and reports directly to the Board. The Business Manager has the responsibility for managing School District operations related but not limited to transportation, food services, purchasing, facility maintenance and performing such other duties as determined by the Board. Dr. Marvin Jones was appointed as the Business Manager effective June 1, 2024.

The Internal Auditor provides independent assurance that financial and operational controls are effective, compliant with regulations, and free from fraud. Helps the Board and Administration identify risks and improve efficiency to ensure public funds are used strictly to support education. Mrs. Sarah Hamilton was appointed as an Internal Auditor effective January 1, 2025 through June 30, 2026.

Employee Relations and Benefits

The School District currently has 1,213 certificated employees (psychologists, teachers, reserve teachers, and administrators) and 1,437 classified employees (administrators, secretarial, clerical, custodial, and cafeteria workers, as well as bus drivers and other non-teaching, non-administrative personnel). Therefore, the School District currently has approximately 2,651 permanent full and part-time employees.

List of Employment Contracts and Expiration

Union	# of Employees	Expiration Date
Dayton Education Association	1,066	6/30/2027
<u>DPSU</u>		
Local 101 – Operations	223	6/30/2026
Local 101 – Security Resource Officers	48	6/30/2026
<u>OAPSE</u>		
Local 156 – Mechanics	9	6/30/2026
Local 158 – Clericals	78	6/30/2026
Local 191 – Lead Child Care Teachers/Mental Health Teachers/Occupational. Therapist Assts./Physical Therapist Assts.	4	6/30/2026
Local 627 – Bus Drivers	153	6/30/2026
Local 643 – Paraprofessionals	328	6/30/2026
Local 766 – Dayton Education Interpreters	8	6/30/2026
Local 766B – Psychologists	18	6/30/2026
<u>BUILDING/TRADES</u>		
AFL-CIO Dayton Bldg. & Const. Trades	27	6/30/2026
Central Midwest Regional Council of Carpenters	9	6/30/2026

Source: Dayton City School District

Benefit expenditures are comprised of employer retirement contributions, medical, dental and life insurance, workers' compensation and unemployment compensation. The School District provided life insurance and accidental death and dismemberment insurance to employees through the ReliaStar Life Insurance Company. The School District has a self-funded health insurance coverage utilizing Anthem Blue Cross Blue Shield, Inc. as a third-party administrator. The employee share is a minimum of 15% of the total health care premium depending upon plan option and single/family contract selected. Dental and Vision insurance is provided to eligible employees. Dental is administered by Superior Dental and Vision is administered by Anthem-Blue View on a premium based policy.

All School District employees participate in either the State Teachers Retirement System or the School Employees Retirement System. The current employer obligation for contributions is 14 percent of the employee's salary. Both retirement systems were created by and operate under Ohio law. The General Assembly could amend the format of either system and could revise rates or methods of contribution to be made by the School District in the future. The State Teachers Retirement System is applicable to all teachers, principals, supervisors and administrators who are

required to hold a certificate issued by the State Department of Education. Other eligible employees are covered by the School Employees Retirement System. Pursuant to federal law, all School District employees hired after March 31, 1986, are required to participate in the federal Medicare program, which currently requires employer and employee contributions each equal to 1.45 percent of the employee's wages in accordance to the FICA limit. Otherwise, the School District employees are not presently covered by the federal Social Security Act.

ECONOMIC CONDITION AND OUTLOOK

Dayton Area Economy

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

Wright Patterson Air Force Base (WPAFB) has a historically significant tie to this community and to aviation as a whole. Currently, this facility is the largest single site employer within the State of Ohio and has 38,000 military and civilian employees. The Base is headquarters for the Aeronautical Systems Center (ASC) – the foremost aeronautical acquisition center in the U.S. Air Force.

During fiscal year 2025, construction on the second phase of historic Dayton Arcade continued. 6888 Kitchen, a food restaurant industry incubator and education center opened during fiscal year. Work is underway on the 94-room Hilton Garden Inn, as well as boutique retail suites and a pedestrian connector in the North Arcade.

Construction continued on the Home Telephone (former Price Stores) building at the Fire Blocks. New commercial spaces for the Fire Block include the Graphic Arts Building and the Birds Coin Building. Construction also continued on the Grant-Deneau Tower at 40 W. Fourth Street and the former Mendelson's Liquidation. A \$45 million renovation of the Dayton Convention Center was finished in 2025.

The construction of the Dayton City School's \$34 million renovation project of the Welcome Stadium and the \$7 million renovation of the School District's transportation center was completed in fiscal year 2024.

Sinclair Community College announced the \$19 million Advanced Air Mobility Aircraft Acquisition Initiative that will expand the college's Unmanned Ariel System to include aircraft over 55 pounds as well as Advanced Air Mobility systems.

Some of the largest for-profit employers in the MSA include: Premier Health Partners Kettering Health Network and Dayton Children's Hospital. Many of the area's largest employers are hospitals or medical centers, which provide specialized medical services to patients from outside the area. Other large employers include several of the universities located in the region. In addition to aerospace-related companies, regional businesses are well-known for their initiatives and advancements in the fields of advance materials and manufacturing, information technology and data management. The MSA currently has the highest concentration per capita of scientific and technical personnel in the State.

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

Demand for downtown housing has increased. 196 housing units were added in Dayton's downtown urban core and 519 units were under construction. Another 103 new downtown units were still on the pipeline. These housing units have consistently seen occupancy rates of over 90%. Housing in the region is steady in general. Real estate has increased in number of homes sold and sales price. Downtown investment has spurred an increase in independent businesses and storefronts.

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

Business Incentives and Creating Economic Development

In accordance with GASB Statement No. 77, *Tax Abatement Disclosures*, the School District is required to report any tax abatements. During fiscal year 2025, the School District's share of property taxes was reduced by \$3,549,665 due to the tax abatements resulting from Community Reinvestment Area (CRA) and Enterprise Zone programs. The CRA is a direct incentive tax exemption program benefiting property owners who renovate existing or construct new residential buildings to encourage the revitalization of current housing stock. The Enterprise Zone program is an economic development tool administered by city and county government to provide real and personal property tax exemptions to business making investments with the School District.

There were 343 tax abated properties within the School District during the fiscal year. Revitalization of urban areas has helped the School District's enrollment see a rebound after years of decline.

School Foundation

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

The recently enacted State budget included significant changes to the calculation and payment of State foundation funding. The biggest change is adoption of the direct funding model. Under this new model, STEM school, scholarship, and open enrollment funding will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2022 and prior, the amounts related to students who were residents of the School District were funded to the School District who, in turn, made the payment to the educating school. School Districts like Dayton City School District with a large number of students who leave through choice options saw a significant decrease in State foundation funding without inclusion of these students. The School District no longer reports purchased services expenses associated with these students.

Long-term Financial Planning

As required by Ohio law, the School District annually prepares a five-year financial forecast to ensure long-term financial success. The five-year financial forecast is prepared and approved by the Board in November 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 and Workforce's website for public use.

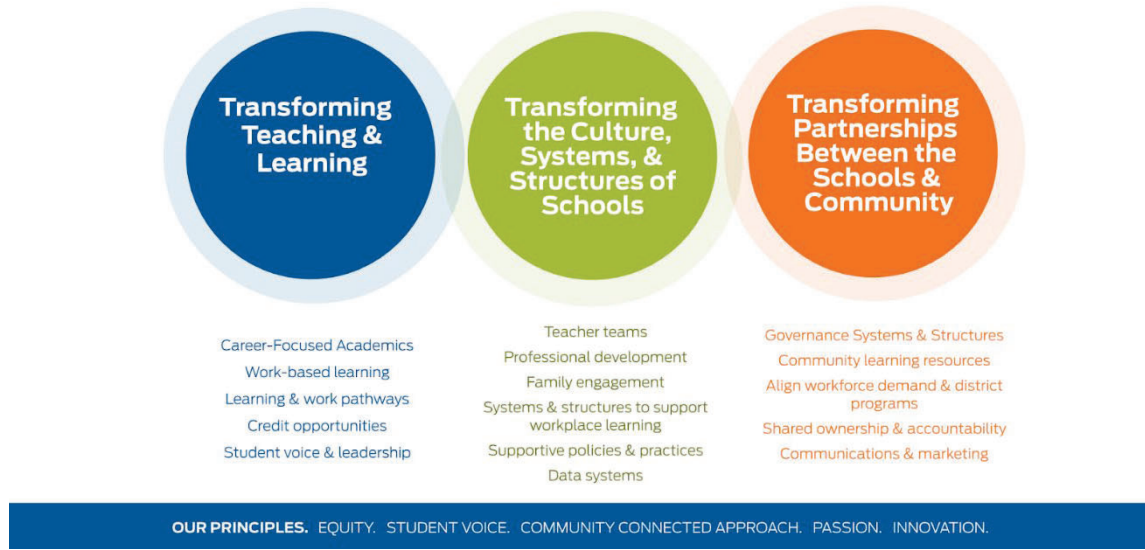
MAJOR INITIATIVES

The District serves 12,148 students across 28 schools, representing the heart and soul of the city of Dayton, Ohio. In recent years, DPS has made significant strides toward providing equitable, high-quality educational opportunities for all students. Yet, the district and its community recognize the need for transformation one that better connects academic learning to meaningful career and life opportunities.

To meet this need, DPS has adopted the Ford Next Generation Learning framework and proudly introduces the Innovative Academies of Dayton Public Schools. This initiative is built on Ford NGL's three essential strands of transformation:

The Ford NGL Framework

A Community-Connected Transformation Model for Students



- Transforming Teaching and Learning
 - Engaging every student through rigorous, hands-on learning experiences aligned to industry needs and career pathways.
- Transforming the Culture, Systems, and Structures of Schools
 - Creating smaller learning communities (academies) where every student is known, supported, and connected to a sense of purpose.
- Transforming Partnerships Between Schools and Community
 - Building powerful relationships with business, higher education, and civic partners to expand real-world learning experiences.

Throughout the past two school years, the district’s Master Planning Team, which is composed of students, educators, administrators, parents, community leaders, our faith-based partners, non-profits, business partners, government leaders and higher education representatives, collaborated to design a bold, community-connected path for all students. Together, this team analyzed workforce data for the Dayton region, identified priority career pathways, and outlined a plan for academy implementation.

Each high school has already established a Freshman Academy, ensuring every ninth-grade student transitions successfully into high school and has the opportunity to explore their interests and strengths before selecting an academy pathway. Beginning in the 2026-2027 school year, DPS will launch “wall-to-wall” academies, aligning with the Dayton region’s high-demand industries. These academies will evolve to include robust partnerships, work-based learning opportunities, college credit opportunities, and industry-recognized credentials and certifications.

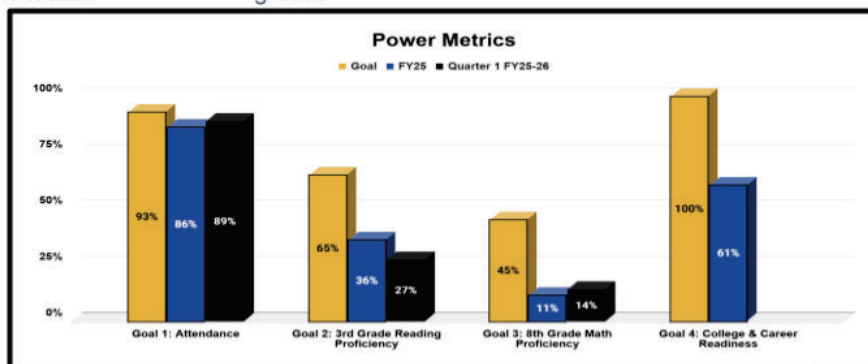
We are reaching these goals through the implementation of the master plan in addition to the Academic Action Plan that identifies our specific goals and metrics listed below:

Our vision is to inspire, educate and empower scholars for a lasting impact.

"100% of all students one year after high school are successfully enrolled in a 2 or 4 year university, employed in an in-demand job using their earned industry credential, certification or pre-apprenticeship skill, enlisted in the military or serving as an entrepreneur"

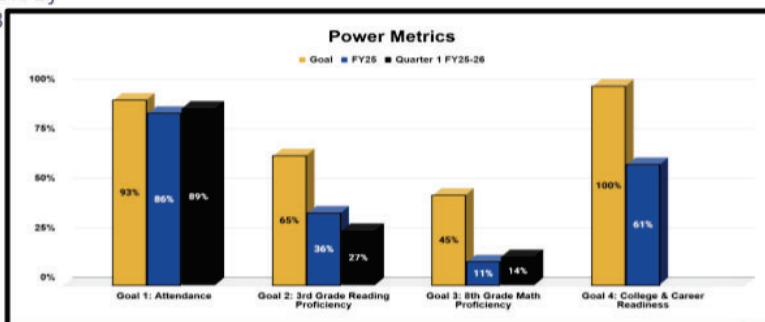
Annual Goals

- | | | | |
|---|--|---|---|
| 1
Attendance
Increase daily attendance and reduce chronic absenteeism | 2
3rd Grade Reading
Improve literacy proficiency in early grades | 3
8th Grade Math
Strengthen math proficiency before high school | 4
College & Career
Enhance readiness for post-secondary success |
|---|--|---|---|



Annual Goals

- | | | | |
|---|---|---|---|
| 1
Attendance
Increase daily attendance for students and staff to 93% and reduce chronic absenteeism to 30% by August 2028 | 2
3rd Grade Reading
Meet or exceed the state average on 3rd grade reading proficiency (65%) by August 2028 | 3
8th Grade Math
Meet or exceed the state average on 8th grade math proficiency (45%) by August 2028 | 4
College & Career
100% of our students graduating with a diploma plus by August 2028 |
|---|---|---|---|



We plan to accomplish these goals by supporting our district's 5 C's



One of our systemic structural changes that will take place as a method of setting up strong accountability measures is the implementation of a transformation steering committee. The Steering committee makes up internal and external partners who will analyze and monitor our progress towards the goal of providing a quality education for 100% of our students.

The implementation of the master plan alongwith transforming teaching and learning, making structural and systemic changes in addition to redesigning our partnerships and community engagement will ensure a sustainable change for the district and the entire region.

Information Technology Outsourcing and Systems Integration Agreement

The School District issued an RFP for Managed IT Services and Application Development in 2023 and awarded the contracts to Sentinel Technologies, Inc. effective January 2, 2024. This award is for a base term of 36 months with two, one-year options.

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

access our web-based applications. Sentinel integrates all necessary applications supporting the work of the School District.

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

The Education Foundation Fund

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

FINANCIAL POLICIES

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

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

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

The concept of reasonable assurance recognizes that:

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

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

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

The School District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered appropriation balances are verified prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year end are carried forward to succeeding fiscal year and are not re-appropriated. The Board of Education approved a Cash Balance Reserve policy in January 2015 and updated in fiscal year 2021 which ensures a general fund cash balance equivalent to at least five percent (5%) of general fund operating expenditures.

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

AWARDS AND ACKNOWLEDGEMENTS

Awards

GFOA Certificate of Achievement

The Governmental Finance Officers Association of the United States and Canada is a nonprofit association founded in 1906. Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School District for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This honor is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

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

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

ASBO Certificate of Excellence

The Association of School Business Officials International, a professional organization founded in 1910, also presented the School District with a Certificate of Excellence in Financial Reporting Award for the preparation and issuance of the fiscal year 2024 School District's Annual Comprehensive Financial Report. This award is granted only after an intensive review of the financial report by an expert ASBO Panel of Review consisting of certified public accountants and practicing school business officials. Receiving this award is recognition that a school system has met the highest standards of excellence in school finance reporting.

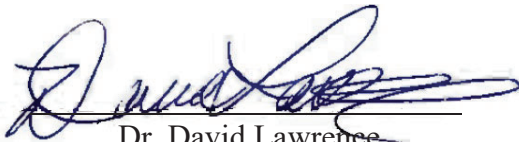
A certificate of excellence is valid for one year only. We believe our current report continues to conform to the standards set by the ASBO Panel of Review, and we are submitting it to ASBO to determine its eligibility for another award.

Independent Audit Report

Included in this report are the unmodified opinions rendered on the School District's basic financial statements as of and for the fiscal year ended June 30, 2025 by Clark, Schaefer, Hackett & Company. An annual independent audit of the School District's financial statements is a requirement of Ohio statute, as well as an integral part of the annual preparation of an ACFR.

Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the staff of the Treasurer's Office. We want to express our appreciation to all that assisted and contributed to its preparation. We would like to acknowledge all members of the Board who have expressed their interest and support in planning and conducting the financial operations of the School District in a fiscally responsible, professional and progressive manner.



Dr. David Lawrence
Superintendent



Hiwot Abraha
Treasurer/Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Dayton City School District
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrell

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Dayton City School District

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director

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

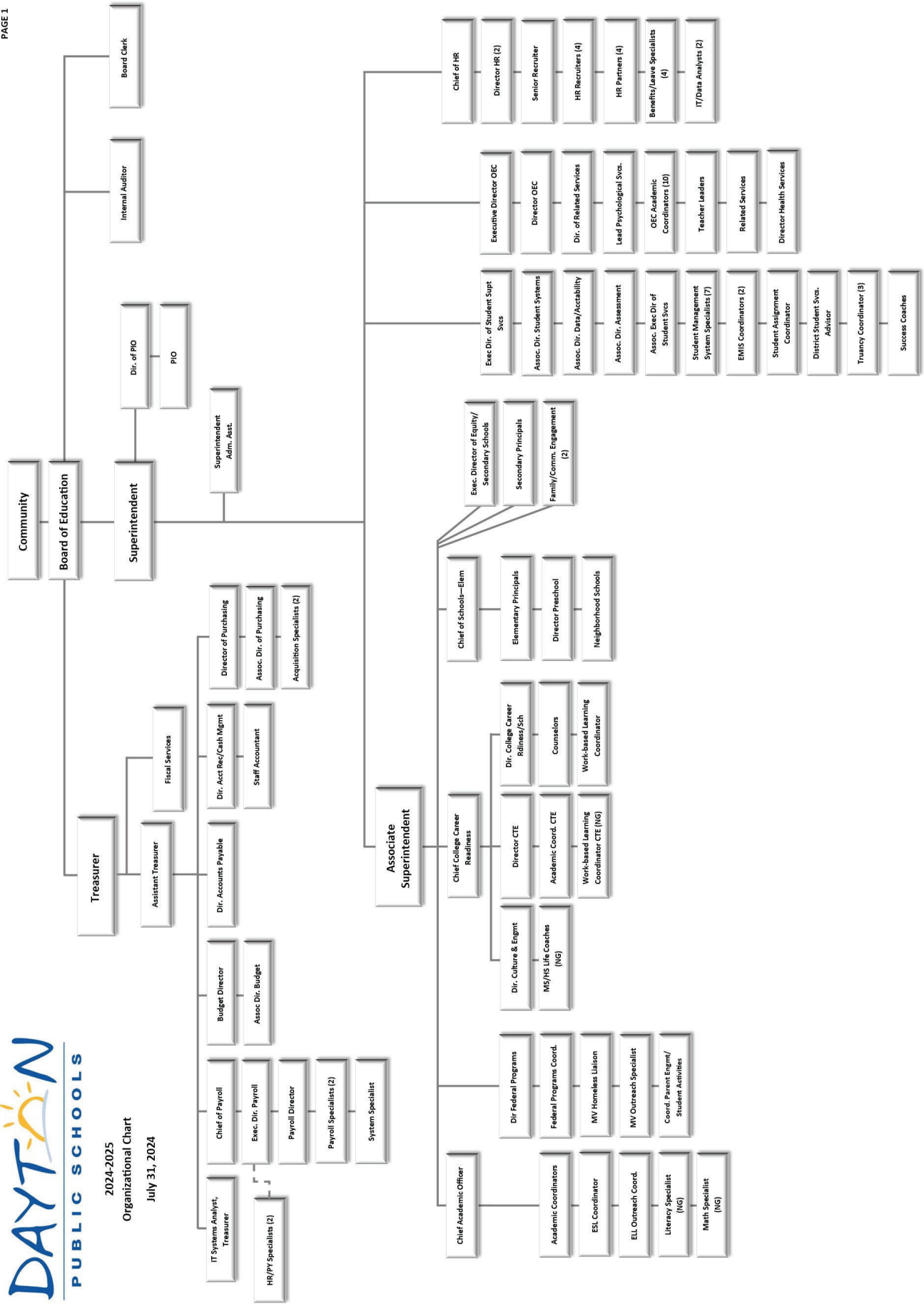
**BOARD MEMBERS-ELECTED OFFICIALS
JUNE 30, 2025**

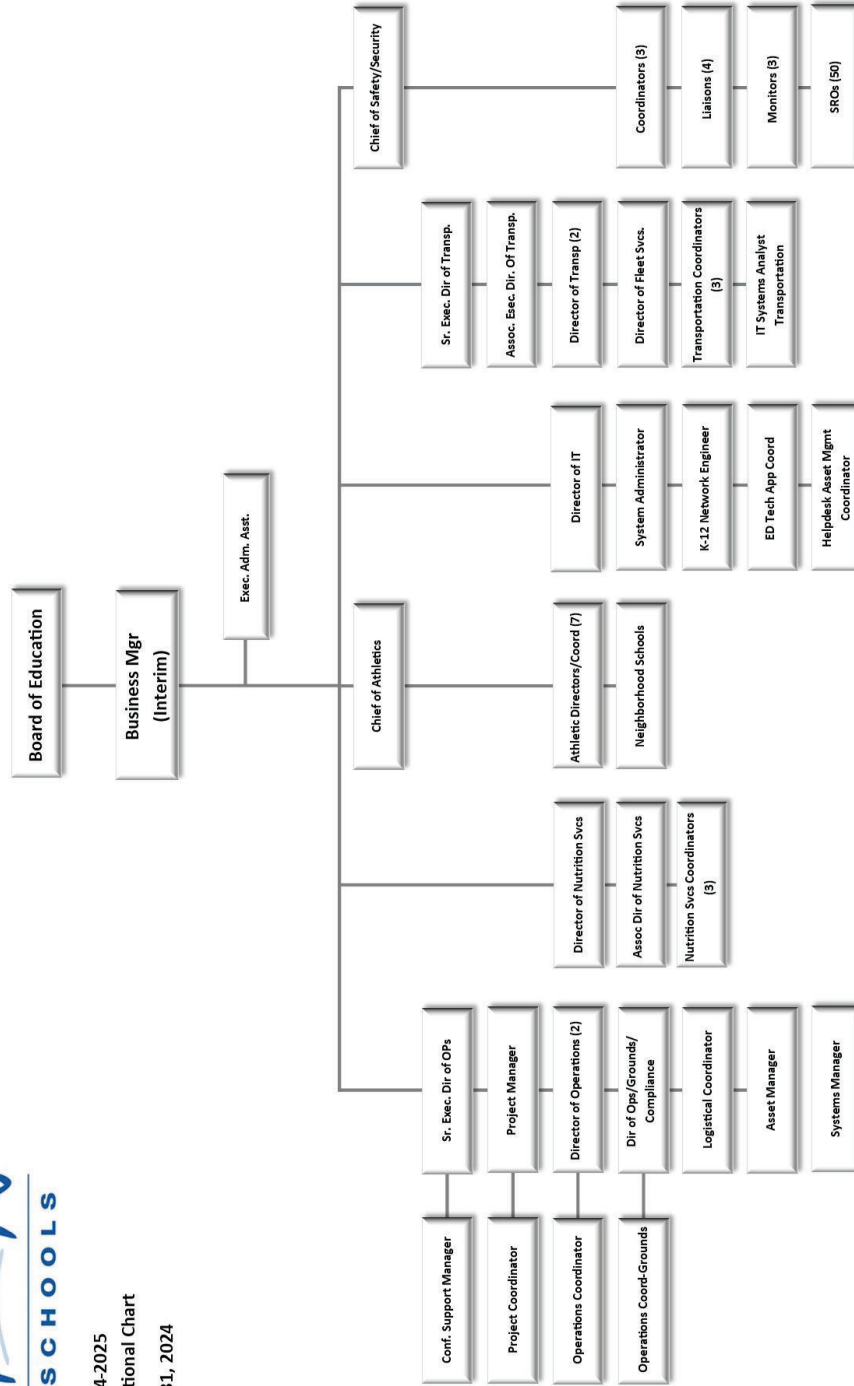
<u>Name</u>	<u>Began Service as a Board Member</u>	<u>Term Expires December 31</u>
Chrisondra Goodwine, J.D. President	2022	2025
William Bailey, Ph.D. , Vice President	2024	2027
William Smith	2024	2027
Karen Wick	2022	2025
Joseph Lacey	2022	2025
Eric Walker	2024	2027
Jocelyn Spencer-Rhynard	2022	2025

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

**CABINET MEMBERS
JUNE 30, 2025**

Dr. David Lawrence	Superintendent
Hiwot Abraha	Treasurer
Dr. Marvin Jones	Business Manager
Lisa Minor	Associate Superintendent
Akisha Shehee	Chief Academic Officer
Erin Dooley	Chief of College and Career Readiness
Judith Spurlock	Chief of Schools, Elementary
Dr. Tanya Davis	Chief of Human Resources
Craig Anderson	Sr. Executive Director of Transportation
Sharon Goins	Director of Equity
Michelle Dinsmore	Director of the Office for Exceptional Children
Terri Allen	Director of Purchasing Services
Alex Kincaid	Director, Public Information Office
Basharus E. Simmons	Executive Director of Secondary Schools
Tiffany N. Powell	Director of Operations
Richard E. Rayford III, (CBO)	Senior Executive Director, Operations





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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Dayton City School District:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Dayton City School District (the "District"), as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 3, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, as of July 1, 2024. Our opinions were not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may rise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule for the General Fund, schedules of net pension and OPEB liabilities/(assets) and schedules of pension and OPEB contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund nonmajor fund statements and schedules are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
December 29, 2025

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

The management's discussion and analysis of the Dayton Public School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2025.

The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2025 are as follows:

- In total, net position of governmental activities increased \$3,182,419 which represents a 0.76% increase from June 30, 2024's restated net position.
- General revenues accounted for \$222,241,471 in revenue or 75.43% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$72,373,281 or 24.57% of total revenues of \$294,614,752.
- The District had \$291,432,333 in expenses related to governmental activities; \$72,373,281 of these expenses was offset by program specific charges for services and sales, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$222,241,471 were adequate to provide for these programs.
- The District's major governmental funds are the general fund, bond retirement fund, and capital projects fund. The general fund had \$247,675,032 in revenues and other financing sources and \$285,251,087 in expenditures and other financing uses. During fiscal year 2025, the general fund's fund balance decreased \$37,576,055 from \$139,837,089 to \$102,261,034.
- The bond retirement fund had \$13,285,288 in revenues and \$13,168,628 in expenditures. During fiscal year 2025, the bond retirement fund's fund balance increased \$116,660 from \$22,048,975 to \$22,165,635.
- The capital projects fund had \$42,000,000 in other financing sources, which consisted of a transfer in from the general fund, which was the only activity.

Using this Annual Comprehensive Financial Report (ACFR)

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

The *statement of net position* and *statement of activities* provide information about the activities of the whole District, presenting both an aggregate view of the 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 District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund, bond retirement fund, and capital projects fund are the most significant funds and are considered major funds.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2025?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net position and the statement of activities, the Governmental Activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund, bond retirement fund, and capital projects fund.

Governmental Funds

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's general fund budgetary information, net pension liability and net OPEB liability/asset.

The District as a Whole

The statement of net position provides the perspective of the District as a whole.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

For the table below, amounts for fiscal year 2025 have been presented in accordance with the provisions of GASB Statement No. 101 (see Note 3) while amounts for fiscal year 2024 have been presented in accordance with previous guidance.

	Net Position	
	Governmental Activities <u>2025</u>	Governmental Activities <u>2024</u>
<u>Assets</u>		
Current and other assets	\$ 375,479,851	\$ 391,495,917
Net OPEB asset	11,769,447	12,299,443
Capital assets, net	<u>443,863,245</u>	<u>437,923,294</u>
Total assets	<u>831,112,543</u>	<u>841,718,654</u>
<u>Deferred Outflows of Resources</u>		
Deferred charges	6,884,518	7,934,290
Pension	41,481,847	43,502,716
OPEB	<u>10,925,370</u>	<u>9,804,370</u>
Total deferred outflows of resources	<u>59,291,735</u>	<u>61,241,376</u>
<u>Liabilities</u>		
Current liabilities	23,689,121	27,950,144
Long-term liabilities:		
Due within one year	19,547,520	11,163,931
Due in more than one year:		
Net pension liability	179,050,262	193,521,748
Net OPEB liability	11,613,353	16,633,203
Other amounts	<u>103,999,770</u>	<u>101,675,024</u>
Total liabilities	<u>337,900,026</u>	<u>350,944,050</u>
<u>Deferred Inflows of Resources</u>		
Other amounts	79,513,872	74,924,220
Pension	23,103,943	14,433,881
OPEB	<u>27,655,205</u>	<u>27,096,584</u>
Total deferred inflows of resources	<u>130,273,020</u>	<u>116,454,685</u>
<u>Net Position</u>		
Net investment in capital assets	357,091,818	341,434,942
Restricted	85,566,556	93,208,612
Unrestricted (deficit)	<u>(20,427,142)</u>	<u>917,741</u>
Total net position	<u>\$ 422,231,232</u>	<u>\$ 435,561,295</u>

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

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

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

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2025, the District's net position was \$422,231,232.

Total assets of the District decreased \$10,606,111 or 1.26%. Current and other assets decreased \$16,016,066 or 4.09% due primarily to a decrease in equity in pooled cash and investments.

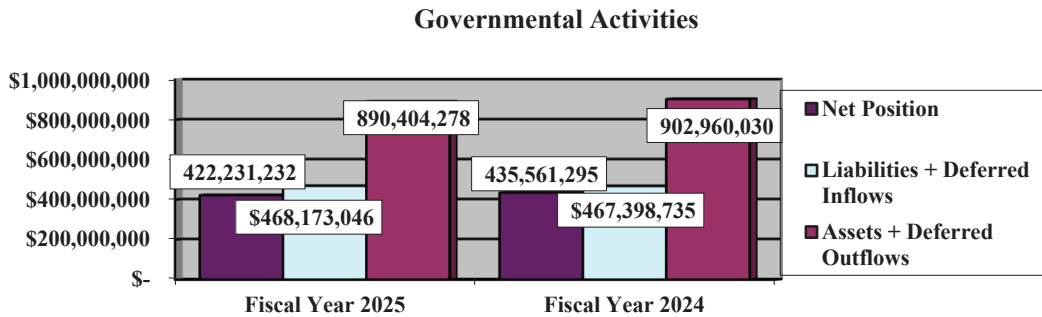
**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

At year-end, capital assets represented 49.85% of total assets and deferred outflows of resources. Capital assets include land, construction in progress, buildings and improvements, furniture/equipment/fixtures, vehicles and intangible right-to-use assets. Net investment in capital assets at June 30, 2025, was \$357,091,818. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$85,566,556 represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$20,427,142.

The graph below illustrates the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2025 and 2024.



During fiscal year 2025, the District implemented GASB Statement No. 101 (see Note 3). For the table below, the implementation has been reported as a change in accounting principle. The table below shows the change in net position for fiscal year 2025 and 2024.

	Change in Net Position	
	Governmental Activities 2025	Governmental Activities 2024
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 4,457,237	\$ 4,641,806
Operating grants and contributions	67,916,044	94,443,918
General revenues:		
Property taxes	83,497,635	82,422,443
Unrestricted grants and entitlements	126,588,228	137,005,759
Investment earnings	10,036,971	11,312,255
Other	2,118,637	3,317,903
Total revenues	<u>294,614,752</u>	<u>333,144,084</u>

(Continued)

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

	Change in Net Position (Continued)	
	Governmental Activities <u>2025</u>	Governmental Activities <u>2024</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	73,865,290	73,086,349
Special	53,279,097	54,353,995
Vocational	6,081,853	5,154,471
Student intervention services	-	90,933
Other	5,214,789	7,980,594
Support services:		
Pupil	24,418,600	21,900,463
Instructional staff	8,009,851	10,539,980
Board of education	1,476,723	1,349,532
Administration	17,579,142	17,256,349
Fiscal	5,352,555	5,190,567
Business	1,710,603	1,857,107
Operations and maintenance	24,570,164	16,656,026
Pupil transportation	25,319,120	26,669,245
Central	14,263,060	14,968,050
Operations of non-instructional services	14,337,250	14,960,319
Extracurricular activities	6,973,599	6,110,681
Unallocated building depreciation	4,884,942	4,884,099
Interest	4,095,695	4,547,172
Total expenses	<u>291,432,333</u>	<u>287,555,932</u>
Change in net position	3,182,419	45,588,152
Net position as previously reported	435,561,295	389,973,143
Restatement - change in accounting principle	(16,512,482)	-
Net position at beginning of year (restated)	<u>419,048,813</u>	<u>389,973,143</u>
Net position at end of year	<u>\$ 422,231,232</u>	<u>\$ 435,561,295</u>

Governmental Activities

Net position of the District's governmental activities increased \$3,182,419. Total governmental expenses of \$291,432,333 were offset by program revenues of \$72,373,281 and general revenues of \$222,241,471. Program revenues supported 24.83% of the total governmental expenses.

Revenues of the District decreased \$38,529,332 or 11.57%. This is primarily due to decreases in operating grants and contributions and unrestricted grants and entitlements. The District's fiscal year 2024 revenues included \$52,218,776 in Elementary and Secondary School Relief (ESSER) grant funding and only \$12,865,252 in ESSER funding in fiscal year 2025.

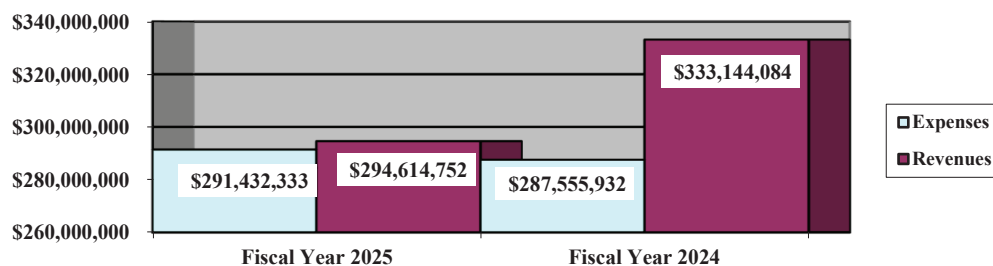
Expenses of the governmental activities increased \$3,876,401 or 1.35%. While expenses only increased 1.35%, the adjustments for pension and OPEB expenses related to GASB 68 and GASB 75 reduced expenses by \$4.7 million from the prior year. The District strives to control costs and uses a zero based budgeting approach. However, there are inflationary pressures, including in the area of salaries, benefits, and supplies that contributed to the increase in expenses.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

The graph below presents the District's governmental activities revenues and expenses for fiscal year 2025 and 2024.

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and sales and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities

	Total Cost of Services <u>2025</u>	Net Cost of Services <u>2025</u>	Total Cost of Services <u>2024</u>	Net Cost of Services <u>2024</u>
Program expenses				
Instruction:				
Regular	\$ 73,865,290	\$ 73,469,432	\$ 73,086,349	\$ 63,440,822
Special	53,279,097	27,854,444	54,353,995	40,565,292
Vocational	6,081,853	4,125,666	5,154,471	3,868,988
Student intervention services	-	-	90,933	90,933
Other	5,214,789	2,127,310	7,980,594	2,121,990
Support services:				
Pupil	24,418,600	13,948,861	21,900,463	8,095,643
Instructional staff	8,009,851	4,397,428	10,539,980	6,266,181
Board of education	1,476,723	1,476,723	1,349,532	1,349,532
Administration	17,579,142	16,773,393	17,256,349	16,680,241
Fiscal	5,352,555	5,304,821	5,190,567	5,127,717
Business	1,710,603	1,710,603	1,857,107	1,857,107
Operations and maintenance	24,570,164	20,655,629	16,656,026	(4,685,440)
Pupil transportation	25,319,120	20,213,729	26,669,245	14,838,251
Central	14,263,060	14,211,290	14,968,050	14,916,114
Operations of non-instructional services	14,337,250	(2,505,250)	14,960,319	(707,852)
Extracurricular activities	6,973,599	6,314,336	6,110,681	5,213,418
Unallocated building depreciation	4,884,942	4,884,942	4,884,099	4,884,099
Interest	4,095,695	4,095,695	4,547,172	4,547,172
Total expenses	\$ 291,432,333	\$ 219,059,052	\$ 287,555,932	\$ 188,470,208

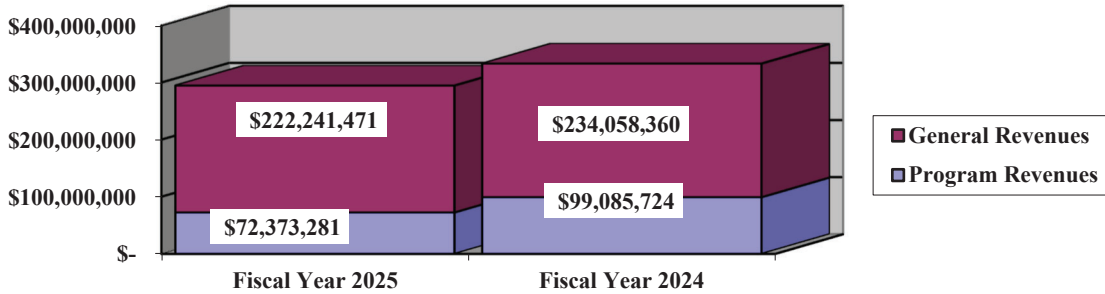
The dependence upon tax and other general revenues for governmental activities is apparent, 77.71% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 75.17%. The District's taxpayers and grants and entitlements received from the State of Ohio that are not restricted in use are by far the primary support for District's students.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

The graph below presents the District's governmental activities revenue for fiscal year 2025 and 2024.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds reported a combined fund balance of \$211,214,846, which is higher than last year's total of \$207,267,702. The schedule below indicates the fund balance and the total change in fund balance for all major and nonmajor governmental funds as of June 30, 2025 and 2024.

	Fund Balance June 30, 2025	Fund Balance, as Adjusted June 30, 2024	Adjustment - Changes in Major Fund	Fund Balance, as Previously Reported June 30, 2024	Change	Percentage Change
Major funds:						
General	\$ 102,261,034	\$ 139,837,089	\$ -	\$ 139,837,089	\$ (37,576,055)	-26.87%
Bond retirement	22,165,635	22,048,975	-	22,048,975	116,660	0.53%
Capital projects	42,000,000	-	-	-	42,000,000	100.00%
ESSER	-	-	5,121,307	(5,121,307)	-	
Other nonmajor governmental funds	44,788,177	45,381,638	(5,121,307)	50,502,945	(593,461)	-1.31%
Total	<u>\$ 211,214,846</u>	<u>\$ 207,267,702</u>	<u>\$ -</u>	<u>\$ 207,267,702</u>	<u>\$ 3,947,144</u>	1.90%

The District's general fund balance decreased \$37,576,055, primarily due to a transfer \$42,000,000 to the capital projects fund.

The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	2025 Amount	2024 Amount	Change	Percentage Change
<u>Revenues</u>				
Taxes	\$ 70,911,969	\$ 68,195,721	\$ 2,716,248	3.98 %
Tuition	2,469,057	2,925,563	(456,506)	(15.60) %
Earnings on investments	9,611,835	10,118,633	(506,798)	(5.01) %
Intergovernmental	147,976,886	140,043,220	7,933,666	5.67 %
Other	2,350,517	3,574,933	(1,224,416)	(34.25) %
Total	<u>\$ 233,320,264</u>	<u>\$ 224,858,070</u>	<u>\$ 8,462,194</u>	3.76 %

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

	<u>2025</u> <u>Amount</u>	<u>2024</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>				
Instruction	\$ 128,465,641	\$ 115,517,087	\$ 12,948,554	11.21 %
Supporting services	108,186,841	85,273,416	22,913,425	26.87 %
Extracurricular activities	4,485,852	4,241,442	244,410	5.76 %
Capital outlay	623,881	-	623,881	100.00 %
Debt service	<u>-</u>	<u>597,137</u>	<u>(597,137)</u>	(100.00) %
Total	<u>\$ 241,762,215</u>	<u>\$ 205,629,082</u>	<u>\$ 36,133,133</u>	17.57 %

Overall revenues of the general fund increased \$8,462,194 or 3.76%. The most significant increase was in intergovernmental which increased approximately \$7,933,666. The primary source of intergovernmental revenue in the general fund is Foundation payments from the State of Ohio. Foundation funding is distributed by the Ohio Department of Education and Workforce based on student enrollment and a complex funding formula.

Expenditures of the general fund increased \$36,133,133 or 17.57%. The capital outlay expenditure was due to the inception of a building lease. Instruction and support services increased due to an increase in salaries and benefit expenditures along with increased cost of supplies. Also, in the prior year, the District had a significant amount of expenses paid from the ESSER grant fund. These costs were paid from the general fund in fiscal year 2025 as this grant was for a limited duration.

General Fund Budgeting Highlights

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

During the course of fiscal year 2025, the District revised its general fund budget. For the general fund, original and final revenues and other financing sources were \$243,980,950 and \$245,297,950, respectively. Actual revenues and other financing sources for fiscal year 2025 were \$241,710,099. This represents a \$3,587,851 less than from final budgeted revenues.

General fund original appropriations and other financing uses totaled \$280,696,440 and final appropriations and other financing uses totaled \$324,459,409. The actual budget basis expenditures and other financing uses for fiscal year 2025 totaled \$302,828,951, which is lower than the final budget appropriations and other financing uses by \$21,630,458 due to the District's conservative budget practices.

Bond Retirement Fund

The bond retirement fund had \$13,285,288 in revenues and \$13,168,628 in expenditures. During fiscal year 2025, the bond retirement fund's fund balance increased \$116,660 from \$22,048,975 to \$22,165,635.

Capital Projects Fund

The capital projects fund had \$42,000,000 in transfers in from the general fund, which was the only activity.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2025, the District had \$443,863,245 invested in land, construction in progress, buildings and improvements, furniture/equipment/fixtures, intangible right-to-use assets, and vehicles. This entire amount is reported in governmental activities.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED**

The following table shows June 30, 2025 balances compared to June 30, 2024.

**Capital Assets at June 30
(Net of Depreciation/Amortization)**

	<u>Governmental Activities</u>	
	<u>2025</u>	<u>2024</u>
Land	\$ 8,514,630	\$ 8,514,630
Construction in progress	12,856,238	8,528,553
Building and improvements	400,240,408	399,324,092
Furniture/equipment/fixtures	10,827,648	10,827,153
Intangible right-to-use assets	637,221	-
Vehicles	<u>10,787,100</u>	<u>10,728,866</u>
Total	<u>\$ 443,863,245</u>	<u>\$ 437,923,294</u>

Net capital assets increased \$5,939,951 during fiscal year 2025. The District had \$18,167,559 in additions and \$12,227,608 in current year depreciation/amortization.

See Note 9 to the basic financial statements for additional information on the District's capital assets.

Debt Administration

The following table summarizes the District's long-term debt outstanding at June 30, 2025 and 2024.

	<u>Governmental Activities</u>	
	<u>2025</u>	<u>2024</u>
School facilities construction and improvement bonds	\$ 70,920,000	\$ 80,210,000
Certificates of participation	14,560,000	15,560,000
Leases payable	623,881	-
Unamortized bond and COPS premiums	<u>7,552,064</u>	<u>8,652,642</u>
Total	<u>\$ 93,655,945</u>	<u>\$ 104,422,642</u>

At June 30, 2025, the District had \$93,655,945 in current interest bonds, certificates of participation, premiums, and lease payable obligations. Of this total, \$10,937,890 is due within one year and \$82,718,055 is due within greater than one year.

See Note 15 to the basic financial statements for additional information on the District's debt administration.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact: Hiwot Abraha, Treasurer/CFO at Dayton Public School District, 136 S. Ludlow Street, Dayton, Ohio 45402.

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

STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 242,989,707
Cash and cash equivalents with fiscal agent	896,352
Receivables:	
Property taxes	122,501,383
Accounts	13,972
Accrued interest	789,753
Intergovernmental	8,288,684
Net OPEB asset	11,769,447
Capital assets:	
Nondepreciable capital assets	21,370,868
Depreciable capital assets, net	422,492,377
Capital assets, net	443,863,245
Total assets	<u>831,112,543</u>
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	6,884,518
Pension	41,481,847
OPEB	10,925,370
Total deferred outflows of resources	<u>59,291,735</u>
Liabilities:	
Accounts payable	3,595,115
Accrued wages and benefits payable	12,898,897
Matured compensated absences payable	370,533
Intergovernmental payable	6,175,033
Accrued interest payable	649,543
Long-term liabilities:	
Due within one year	19,547,520
Due in more than one year:	
Net pension liability	179,050,262
Net OPEB liability	11,613,353
Other amounts due in more than one year	103,999,770
Total liabilities	<u>337,900,026</u>
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	79,513,872
Pension	23,103,943
OPEB	27,655,205
Total deferred inflows of resources	<u>130,273,020</u>
Net position:	
Net investment in capital assets	357,091,818
Restricted for:	
Capital projects	9,135,586
OPEB	11,769,447
Classroom facilities maintenance	4,839,608
Debt service	27,642,608
State funded programs	614,914
Food service operations	28,359,167
Student activities	852,603
Other purposes	2,352,623
Unrestricted (deficit)	(20,427,142)
Total net position	<u>\$ 422,231,232</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction:				
Regular	\$ 73,865,290	\$ 302,353	\$ 93,505	\$ (73,469,432)
Special	53,279,097	2,303,014	23,121,639	(27,854,444)
Vocational	6,081,853	-	1,956,187	(4,125,666)
Other	5,214,789	-	3,087,479	(2,127,310)
Support services:				
Pupil	24,418,600	-	10,469,739	(13,948,861)
Instructional staff	8,009,851	-	3,612,423	(4,397,428)
Board of education	1,476,723	-	-	(1,476,723)
Administration	17,579,142	-	805,749	(16,773,393)
Fiscal	5,352,555	-	47,734	(5,304,821)
Business	1,710,603	-	-	(1,710,603)
Operations and maintenance	24,570,164	290,685	3,623,850	(20,655,629)
Pupil transportation	25,319,120	80,329	5,025,062	(20,213,729)
Central	14,263,060	-	51,770	(14,211,290)
Operation of non-instructional services:				
Food service operations	10,740,513	823,024	12,736,688	2,819,199
Other non-instructional services	3,596,737	-	3,282,788	(313,949)
Extracurricular activities	6,973,599	657,832	1,431	(6,314,336)
Unallocated building depreciator	4,884,942	-	-	(4,884,942)
Interest and fiscal charges	4,095,695	-	-	(4,095,695)
Totals	<u>\$ 291,432,333</u>	<u>\$ 4,457,237</u>	<u>\$ 67,916,044</u>	<u>(219,059,052)</u>
General revenues:				
Property taxes levied for:				
General purposes				71,762,054
Debt service				10,380,861
Capital outlay				677,310
Classroom facilities maintenance				677,410
Grants and entitlements not restricted to specific programs				126,588,228
Investment earnings and fair value adjustment				10,036,971
Miscellaneous				2,118,637
Total general revenues				<u>222,241,471</u>
Change in net position				3,182,419
Net position at beginning of year, as previously reported				435,561,295
Restatement - change in accounting principle				(16,512,482)
Net position at beginning of year, as restated				<u>419,048,813</u>
Net position at end of year				<u>\$ 422,231,232</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	Bond Retirement	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	\$ 113,401,623	\$ 21,795,148	\$ 42,000,000	\$ 44,993,836	\$ 222,190,607
Cash and cash equivalents with fiscal agent	-	-	-	896,352	896,352
Receivables:					
Property taxes	102,216,521	18,260,124	-	2,024,738	122,501,383
Accounts	13,972	-	-	-	13,972
Accrued interest	789,753	-	-	-	789,753
Interfund loans	2,457,724	-	-	-	2,457,724
Intergovernmental	2,160,952	-	-	6,127,732	8,288,684
Restricted assets:					
Equity in pooled cash and cash equivalents	421,809	-	-	-	421,809
Total assets	<u>\$ 221,462,354</u>	<u>\$ 40,055,272</u>	<u>\$ 42,000,000</u>	<u>\$ 54,042,658</u>	<u>\$ 357,560,284</u>
Liabilities:					
Accounts payable	\$ 858,780	\$ -	\$ -	\$ 2,582,509	\$ 3,441,289
Accrued wages and benefits payable	11,856,187	-	-	1,042,710	12,898,897
Matured compensated absences payable	368,610	-	-	1,923	370,533
Intergovernmental payable	5,610,814	-	-	564,219	6,175,033
Interfund loans payable	-	-	-	2,457,724	2,457,724
Total liabilities	<u>18,694,391</u>	<u>-</u>	<u>-</u>	<u>6,649,085</u>	<u>25,343,476</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	66,490,275	11,763,121	-	1,260,476	79,513,872
Delinquent property tax revenue not available	33,566,671	6,126,516	-	719,676	40,412,863
Intergovernmental revenue not available	24,847	-	-	625,244	650,091
Accrued interest not available	425,136	-	-	-	425,136
Total deferred inflows of resources	<u>100,506,929</u>	<u>17,889,637</u>	<u>-</u>	<u>2,605,396</u>	<u>121,001,962</u>
Fund balances:					
Nonspendable:					
Unclaimed funds	421,809	-	-	-	421,809
Restricted:					
Debt service	-	22,165,635	-	-	22,165,635
Capital improvements	-	-	-	8,775,748	8,775,748
Classroom facilities maintenance	-	-	-	4,479,770	4,479,770
Food service operations	-	-	-	28,475,468	28,475,468
Non-public schools	-	-	-	453,280	453,280
State funded programs	-	-	-	212,441	212,441
Extracurricular	-	-	-	852,666	852,666
Foundation education	-	-	-	896,352	896,352
Other purposes	-	-	-	1,034,462	1,034,462
Committed:					
Capital improvements	-	-	42,000,000	-	42,000,000
Welcome Stadium	-	-	-	233,234	233,234
Assigned:					
Student instruction	2,856,129	-	-	-	2,856,129
Student and staff support	9,620,518	-	-	-	9,620,518
Extracurricular activities	137,455	-	-	-	137,455
Subsequent year's appropriations	47,993,398	-	-	-	47,993,398
Board reserve	4,649,537	-	-	-	4,649,537
Unassigned (deficit)	<u>36,582,188</u>	<u>-</u>	<u>-</u>	<u>(625,244)</u>	<u>35,956,944</u>
Total fund balances	<u>102,261,034</u>	<u>22,165,635</u>	<u>42,000,000</u>	<u>44,788,177</u>	<u>211,214,846</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 221,462,354</u>	<u>\$ 40,055,272</u>	<u>\$ 42,000,000</u>	<u>\$ 54,042,658</u>	<u>\$ 357,560,284</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2025

Total governmental fund balances		\$ 211,214,846
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		443,863,245
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 40,412,863	
Accrued interest receivable	425,136	
Intergovernmental receivable	650,091	
Total	<u> </u>	41,488,090
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		16,850,465
Unamortized premiums on bonds issued are not recognized in the funds.		(7,552,064)
Unamortized amounts on refundings are not recognized in the funds.		6,884,518
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(649,543)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	41,481,847	
Deferred inflows - pension	(23,103,943)	
Net pension liability	(179,050,262)	
Deferred outflows - OPEB	10,925,370	
Deferred inflows - OPEB	(27,655,205)	
Net OPEB asset	11,769,447	
Net OPEB liability	(11,613,353)	
Total	<u> </u>	(177,246,099)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(70,920,000)	
Lease obligations	(623,881)	
Compensated absences	(26,518,345)	
Certificates of Participation	(14,560,000)	
Total	<u> </u>	(112,622,226)
Net position of governmental activities		<u><u>\$ 422,231,232</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

				(Formerly major) Elementary and Secondary School Emergency Relief Fund	Nonmajor Governmental Funds	Total Governmental Funds
	General	Bond Retirement	Capital Projects			
Revenues:						
Property taxes	\$ 70,911,969	\$ 10,698,210	\$ -		\$ 1,343,366	\$ 82,953,545
Intergovernmental	147,976,886	2,587,078	-		50,060,917	200,624,881
Investment earnings	9,611,835	-	-		1,283,330	10,895,165
Tuition and fees	2,469,057	-	-		300	2,469,357
Extracurricular	170,302	-	-		801,477	971,779
Rental income	15,241	-	-		-	15,241
Charges for services	46,337	-	-		823,024	869,361
Contributions and donations	112,720	-	-		39,257	151,977
Miscellaneous	2,005,917	-	-		156,962	2,162,879
Total revenues	<u>233,320,264</u>	<u>13,285,288</u>	<u>-</u>		<u>54,508,633</u>	<u>301,114,185</u>
Expenditures:						
Current:						
Instruction:						
Regular	73,559,978	-	-		33,288	73,593,266
Special	47,532,148	-	-		6,509,139	54,041,287
Vocational	5,186,364	-	-		618,853	5,805,217
Other	2,187,151	-	-		3,286,220	5,473,371
Support services:						
Pupil	15,311,660	-	-		7,565,871	22,877,531
Instructional staff	5,071,855	-	-		3,614,037	8,685,892
Board of education	1,482,844	-	-		-	1,482,844
Administration	17,349,725	-	-		750,026	18,099,751
Fiscal	5,115,330	235,378	-		77,103	5,427,811
Business	1,684,877	-	-		-	1,684,877
Operations and maintenance	25,527,330	-	-		14,671,642	40,198,972
Pupil transportation	22,175,742	-	-		2,050,932	24,226,674
Central	14,467,478	-	-		51,765	14,519,243
Operation of non-instructional services:						
Food service operations	-	-	-		11,118,083	11,118,083
Other non-instructional services	-	-	-		3,621,317	3,621,317
Extracurricular activities	4,485,852	-	-		837,969	5,323,821
Facilities acquisition and construction	-	-	-		239,927	239,927
Capital outlay	623,881	-	-		-	623,881
Debt service:						
Principal retirement	-	9,290,000	-		1,000,000	10,290,000
Interest and fiscal charges	-	3,643,250	-		544,794	4,188,044
Total expenditures	<u>241,762,215</u>	<u>13,168,628</u>	<u>-</u>		<u>56,590,966</u>	<u>311,521,809</u>
Excess of revenues over (under) expenditures	<u>(8,441,951)</u>	<u>116,660</u>	<u>-</u>		<u>(2,082,333)</u>	<u>(10,407,624)</u>
Other financing sources (uses):						
Transfers in	13,730,887	-	42,000,000		1,488,872	57,219,759
Transfers (out)	(43,488,872)	-	-		-	(43,488,872)
Lease transaction	623,881	-	-		-	623,881
Total other financing sources (uses)	<u>(29,134,104)</u>	<u>-</u>	<u>42,000,000</u>		<u>1,488,872</u>	<u>14,354,768</u>
Net change in fund balances	(37,576,055)	116,660	42,000,000		(593,461)	3,947,144
Fund balances at beginning of year, as previously reported	139,837,089	22,048,975	-	(5,121,307)	50,502,945	207,267,702
Adjustment - change in major and nonmajor funds	-	-	-	5,121,307	(5,121,307)	-
Fund balances at beginning of year, as adjusted	139,837,089	22,048,975	-	-	45,381,638	207,267,702
Fund balances at end of year	<u>\$ 102,261,034</u>	<u>\$ 22,165,635</u>	<u>\$ 42,000,000</u>		<u>\$ 44,788,177</u>	<u>\$ 211,214,846</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Net change in fund balances - total governmental funds	\$	3,947,144
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 18,167,559	
Current year depreciation	(12,227,608)	
Total		5,939,951
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	544,090	
Earnings on investments	425,136	
Intergovernmental	(7,468,659)	
Total		(6,499,433)
Repayment of bond and COPS principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		10,290,000
Issuance of leases are recorded as other financing sources in the funds however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position		
		(623,881)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Decrease in accrued interest payable	41,543	
Amortization of bond and COP premiums	1,100,578	
Amortization of deferred charges	(1,049,772)	
Total		92,349
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	19,012,456	
OPEB	425,409	
Total		19,437,865
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(15,231,901)	
OPEB	4,626,824	
Total		(10,605,077)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		(3,391,245)
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		(15,405,254)
Change in net position of governmental activities	\$	3,182,419

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2025

	<u>Internal Service Funds</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 20,377,291
Total assets	<u>20,377,291</u>
Liabilities:	
Current Liabilities:	
Accounts payable	153,826
Claims payable	<u>3,187,742</u>
Total current liabilities	<u>3,341,568</u>
Non-current liabilities:	
Claims payable	<u>185,258</u>
Total liabilities	<u>3,526,826</u>
Net position:	
Unrestricted	<u>16,850,465</u>
Total net position	<u><u>\$ 16,850,465</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Internal Service Funds</u>
Operating revenues:	
Charges for services	\$ 28,350,691
Total operating revenues	<u>28,350,691</u>
Operating expenses:	
Purchased services	2,949,620
Materials and supplies	1,031
Claims	<u>27,074,407</u>
Total operating expenses	<u>30,025,058</u>
Operating loss before transfers	(1,674,367)
Transfer out	<u>(13,730,887)</u>
Change in net position	(15,405,254)
Net position at beginning of year	<u>32,255,719</u>
Net position at end of year	<u>\$ 16,850,465</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Internal Service Funds
Cash flows from operating activities:	
Cash received from interfund services provided	\$ 28,655,942
Cash payments to suppliers for goods	(2,803,639)
Cash payments for claims	(26,789,407)
Net cash used in operating activities	(937,104)
Cash flows from noncapital financing activities:	
Cash used in transfers out	(13,730,887)
Net cash used in noncapital financing activities	(13,730,887)
Net decrease in cash and cash equivalents	(14,667,991)
Cash and cash equivalents at beginning of year	35,045,282
Cash and cash equivalents at end of year	<u><u>\$ 20,377,291</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (1,674,367)
Changes in assets and liabilities:	
Prepayments	305,401
Accounts payable	146,862
Claims payable	285,000
Net cash used in operating activities	<u><u>\$ (937,104)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

The District is the twelfth largest in the State of Ohio (among 607 school districts) in terms of enrollment. It is staffed by 1,192 certificated employees and 1,420 classified employees who provide services to 12,148 students.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

The following activities are included within the reporting entity:

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

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

The statement of net position presents the financial condition of the governmental activities of the 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 District's governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, 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 District. 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 District.

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

C. Fund Accounting

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

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions 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 plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance. The following are the District's major governmental funds:

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

Bond Retirement Fund - The Bond Retirement Fund is used to account for the accumulation of resources for, and the payment of, general long-term obligation principal, interest, and related costs.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Capital Projects Fund – The capital projects fund is used to account for the revenues and expenditures that are committed for various capital projects.

Other governmental funds of the District are used to account for:

Nonmajor special revenue funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Nonmajor capital projects funds - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

PROPRIETARY FUND

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

Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the District on a cost reimbursement basis. The District has three internal service funds; one to account for the operation of the central warehouse and distribution facility; another accounts for the self-insurance program, which provides medical benefits to employees; and a third accounts for monies collected for worker's compensation payments under the retrospective ratings program. The District is no longer self-insured for worker's compensation, this fund was closed during fiscal year 2025.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District did not have any fiduciary funds.

D. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the District are included on the statement on net position. The statement of activities accounts for increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The proprietary fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the statement of net position. Proprietary fund's operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the School District's Internal Service funds are charges for services. Operating expenses for internal service funds include the cost of services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. 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 are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues - Exchange and Nonexchange 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. Available means that the resources will be collected 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 District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (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 year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 11 and 12 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2025, but which were levied to finance fiscal year 2026 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 11 and 12 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position. In addition, deferred outflows of resources include a deferred gain on debt refunding. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the fiscal year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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

F. Cash and Investments

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

During fiscal year 2025, the District invested in commercial paper, Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, Federal Agricultural Mortgage Corporation (FAMC) securities, negotiable certificates of deposit, U.S. Treasury Notes, U.S. Government money market funds and STAR Ohio.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

There were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours notice in advance of all deposits and withdrawals exceeding \$100 million is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Investments are reported at fair value. For investments in open-ended mutual funds, fair value is determined by the fund's share price.

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 2025 amounted to \$9,611,835, which includes \$4,530,077 assigned from other 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 District are reported as cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

G. Interfund Balances

On the fund financial statements, short-term outstanding interfund loans are reported as "interfund loans receivable/payable". Interfund balances amounts are eliminated in the statement of net position.

H. Capital Assets

All capital assets of the District are classified as general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the dates received. The District maintains a capitalization threshold of \$5,000 for furniture, fixtures and equipment, and vehicles. For construction in progress, land improvements, and building improvements, the District maintains a capitalization threshold of \$50,000. There is no capitalization threshold for land and buildings, therefore all land and buildings are capitalized. The 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. In addition, assets having an estimated useful life of more than one year that are below the capitalization threshold and not considered repair or maintenance costs are collectively capitalized on the financial statements when the aggregate of those assets are considered significant.

Depreciation/amortization is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	3 - 100 years
Furniture, Fixtures and Equipment	5 - 20 years
Vehicles	5 - 10 years

The District is reporting intangible right-to-use assets related to leased buildings. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

I. Accrued Liabilities and Long-term Obligations

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

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

J. Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The District's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave

The District's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the District and, upon separation from service, the employee receives compensation in accordance with the severance policy. A liability for estimated value of sick leave that will be used by employees as time off and at separation is included in the liability for compensated absences.

K. Fund Balance

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

L. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The net position component “net investment in capital assets,” consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. The amounts restricted for other purposes primarily represent amounts restricted for scholarships and other grants.

Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

M. Bond Issuance Costs/Unamortized Bond Premium and Discount/Unamortized Accounting Gain or Charge

On government-wide financial statements, bond issuance costs are expensed in the year they occur.

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or charge is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow or inflow of resources on the statement of net position.

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the current period.

N. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures 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 to the funds that initially paid for them are not presented on the financial statements.

O. Pensions/Other Postemployment Benefits (OPEB)

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

P. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Q. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions. Restricted assets in the general fund represent cash and cash equivalents held as unclaimed monies.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

S. Fair Value

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

T. Minimum Fund Balance Policy

The Dayton City School Board of Education has adopted a cash balance reserve policy in the general fund. The target level is set at 5 percent of the general fund's operating expenditures. This amount is intended to provide fiscal stability when economic downturns or other unexpected events occur.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2025, the District has implemented GASB Statement No. 101, "*Compensated Absences*" and GASB Statement No. 102, "*Certain Risk Disclosures*".

GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

GASB Statement No. 102 improves financial reporting by providing users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

B. Deficit Fund Balances

Fund balances at June 30, 2025 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Public School Preschool	\$ 264,482
Elementary and Secondary School Emergency	62,545
IDEA, Part B	56,146
Dropout Prevention and Intervention Fund	15,276
EHA Preschool Grant for the Handicapped	3,929
Miscellaneous Federal Grants	65,580
21st Century	2,551
Title IV-A Grant Fund	154,735

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

C. Change within the Financial Reporting Entity

For fiscal year 2025, the District's Elementary and Secondary School Emergency Relief fund presentation was adjusted from major to nonmajor due to no longer meeting the qualitative threshold for a major fund. This change is separately displayed in the financial statements.

D. Restatement of Net Position

During fiscal year 2025, there was a change in accounting principle related to the implementation of GASB Statement No. 101, "Compensated Absences". The effect of changing the accounting principle is to decrease net position as previously reported. This is displayed where applicable in the financial statements as "restatement - change in accounting principle".

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the District into three categories.

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

Inactive monies 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 monies must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings accounts including but not limited to passbook accounts.

Interim monies are to 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 or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, 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 provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings deposit accounts including, but not limited to, passbook accounts;

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

6. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptance (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

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. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash and Cash Equivalents with Fiscal Agent

At fiscal year end, the District had \$896,352 in cash and cash equivalents held by the Dayton Foundation. This amount is excluded from the deposits and investments as described below and presented as "cash and cash equivalents with fiscal agent" on the statement of net position.

B. Deposits with Financial Institutions

At June 30, 2025, the carrying amount of all District deposits was \$21,768,458 and the bank balance of all District deposits was \$22,940,988. Of the bank balance, \$250,000 was covered by the FDIC, \$21,509,713 was covered by the Ohio Pooled Collateral System, and \$1,181,275 was covered by SIPC.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State. For fiscal year 2025, the District's financial institutions were approved for a collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Investments

As of June 30, 2025, the District had the following investments and maturities:

Measurement/ <u>Investment type</u>	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Net Asset Value Per Share</i>						
STAROhio	\$ 88,935,597	\$ 88,935,597	\$ -	\$ -	\$ -	\$ -
<i>Fair Value:</i>						
Money Market Mutual Funds	8,046,297	8,046,297	-	-	-	-
Federal Farm Credit Bank Notes	13,241,576	750,270	11,480,336	1,010,970	-	-
Federal Home Loan Bank Bonds	32,557,946	8,990,449	10,587,782	5,451,254	4,613,786	2,914,675
Federal Home Loan Mortgage Corporation Notes	15,493,213	10,005,743	-	-	-	5,487,470
Federal National Mortgages Notes	8,655,883	8,073,787	582,096	-	-	-
U.S. Treasury Notes	46,487,484	9,178,379	5,734,357	20,436,197	7,682,021	3,456,530
Federal Agricultural Mortgage Corporation Notes	903,329	-	903,329	-	-	-
Negotiable Certificate of Deposit money market	5,413,265	1,218,864	488,653	1,233,582	745,122	1,727,044
Commercial Paper	1,486,659	1,486,659	-	-	-	-
Total	<u>\$ 221,221,249</u>	<u>\$ 136,686,045</u>	<u>\$ 29,776,553</u>	<u>\$ 28,132,003</u>	<u>\$ 13,040,929</u>	<u>\$ 13,585,719</u>

The weighted average of maturity of the investments is 0.57 years.

The District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in commercial paper, federal agency securities (FFCB, FHLB, FHLMC, FNMA, FAMC), U.S. Treasury notes, and negotiable CD's are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less unless matched to a specific obligation or debt of the District.

Credit Risk: The District's investments in commercial paper were rated A-1 or A-1+ and P-1 by Standard & Poor's and Moody's Investor Services, respectively. The District's investment in federal agency securities (FFCB, FHLB, FHLMC, FNMA, FAMC) and U.S. Treasury notes were rated AA+ and Aa1 by Standard & Poor's and Moody's Investor Services, respectively. The District's investments in the U. S. Government money market and STAR Ohio obtained an AAAM money market rating by Standard & Poor's. The negotiable certificates of deposit are not rated. The District's investment policy does not specifically address credit risk beyond requiring the District to only invest in securities authorized by State Statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2025:

Measurement/ <u>Investment type</u>	Measurement <u>Value</u>	<u>% of Total</u>
<i>Fair Value:</i>		
Commercial paper	\$ 1,486,659	0.67
FFCB	13,241,576	5.99
FHLB	32,557,946	14.72
FHLMC	15,493,213	7.00
FNMA	8,655,883	3.91
Negotiable CDs	5,413,265	2.45
U.S. Treasury notes	46,487,484	21.01
FAMC	903,329	0.41
Money Market	8,046,297	3.64
STAR Ohio	88,935,597	40.20
Total	<u>\$ 221,221,249</u>	<u>100.00</u>

D. Reconciliation of Cash to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2025:

Cash and investments per note

Carrying amount of deposits	\$ 21,768,458
Cash and cash equivalents with fiscal agent	896,352
Investments	<u>221,221,249</u>
Total	<u>\$ 243,886,059</u>

Cash and investments per financial statements

Governmental activities	<u>\$ 243,886,059</u>
Total	<u>\$ 243,886,059</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Advances

As of June 30, 2025, the General Fund had an interfund receivable of \$2,457,724 while nonmajor governmental funds had interfund payables of \$2,457,724.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 5 - INTERFUND TRANSACTIONS – (Continued)

B. Transfers

During the fiscal year, the General Fund transferred \$42,000,000 to the Capital Projects Fund and \$1,488,872 to Other Non-major Governmental Funds. These transfers were made to move unrestricted balances to support programs and capital projects accounted for in other funds.

The District closed the worker's compensation internal service fund during fiscal year 2025. The balance of \$13,730,887 was transferred to the General Fund.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the 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 property and public utility property. Real property tax revenues received in calendar year 2025 represent the collection of calendar year 2024 taxes. Real property taxes received in calendar year 2025 were levied after April 1, 2024, on the assessed values as of January 1, 2024, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, 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 revenues received in calendar year 2025 represent the collection of calendar year 2024 taxes. Public utility real and personal property taxes received in calendar year 2025 became a lien on December 31, 2023, were levied after April 1, 2024, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Montgomery County. The County Auditors periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2025, are available to finance fiscal year 2025 operations. The amount available as an advance at June 30, 2025 and 2024 were:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Major governmental funds:		
General fund	\$ 2,159,575	\$ 5,847,266
Nonmajor governmental funds:		
Bond retirement fund	370,487	1,131,306
Permanent improvement fund	22,243	62,589
Classroom facilities maintenance fund	22,343	62,589

The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2025 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 6 - PROPERTY TAXES - (Continued)

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

The assessed values upon which the fiscal year 2025 taxes were collected are:

	2024 Second Half Collections		2025 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,858,302,200	91.81	\$ 1,847,395,570	90.78
Public utility personal	<u>165,753,950</u>	<u>8.19</u>	<u>187,531,810</u>	<u>9.22</u>
Total	<u>\$ 2,024,056,150</u>	<u>100.00</u>	<u>\$ 2,034,927,380</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$74.92		\$74.56	

NOTE 7 - TAX ABATEMENT

Pursuant to GASB Statement No. 77, Tax Abatement Disclosures, the District is required to disclose certain information on its use of tax abatement incentives. A tax abatement incentive, under this Statement, is an agreement between the local government and an individual or entity in which the local government promises to forgo tax revenue, while the individual or entity promises to take a specific action after the agreement has been entered into that contributes to the economic development or otherwise benefits the local government or the citizens of the local government.

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

<u>Tax Abatement Program</u>	<u>Amount of Fiscal Year 2025 School District Taxes Abated</u>
Community Reinvestment Area	\$3,416,579
Enterprise Zone	<u>133,086</u>
Total	<u>\$3,549,665</u>

NOTE 8 - RECEIVABLES

Receivables at June 30, 2025, consisted of property and income taxes, accounts, accrued interest and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables except property taxes are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8 – RECEIVABLES – (Continued)

A summary of the principal items of intergovernmental receivables are as follows:

Governmental activities:

State Foundation FTE Adjustment	\$ 184,345
Title I	2,740,030
Miscellaneous Federal Grants	65,580
Early Childhood Education	264,482
21st Century	70,035
IDEA Part B	505,947
Carl D. Perkins	141,618
Title I - Supplemental School Improvement	126,563
Title III	73,231
Title IV-A Grant	462,419
IDEA Preschool Grants	3,929
Improving Teacher Quality	493,107
ESSER	62,545
Medicaid	1,976,607
Child Nutrition Cluster	<u>1,118,246</u>
Total	<u><u>\$ 8,288,684</u></u>

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2025, was as follows:

	Balance <u>06/30/24</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>06/30/25</u>
Governmental activities:				
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 8,514,630	\$ -	\$ -	\$ 8,514,630
Construction in Progress	<u>8,528,553</u>	<u>11,816,130</u>	<u>(7,488,445)</u>	<u>12,856,238</u>
Total capital assets, not being depreciated/amortized	<u>17,043,183</u>	<u>11,816,130</u>	<u>(7,488,445)</u>	<u>21,370,868</u>
<i>Capital assets, being depreciated/amortized:</i>				
Buildings and improvements	525,951,918	8,747,285	-	534,699,203
Furniture and equipment	24,682,551	1,569,701	(105,210)	26,147,042
Vehicles	23,483,965	2,884,364	(16,600)	26,351,729
Intangible right to use - building	<u>-</u>	<u>638,524</u>	<u>-</u>	<u>638,524</u>
Total capital assets, being depreciated/amortized	<u>574,118,434</u>	<u>13,839,874</u>	<u>(121,810)</u>	<u>587,836,498</u>
<i>Less: accumulated depreciation/amortization:</i>				
Buildings and improvements	(126,627,826)	(7,830,969)	-	(134,458,795)
Furniture and equipment	(13,855,398)	(1,569,206)	105,210	(15,319,394)
Vehicles	(12,755,099)	(2,826,130)	16,600	(15,564,629)
Intangible right to use - building	<u>-</u>	<u>(1,303)</u>	<u>-</u>	<u>(1,303)</u>
Total accumulated depreciation/amortization	<u>(153,238,323)</u>	<u>(12,227,608)</u>	<u>121,810</u>	<u>(165,344,121)</u>
Capital assets, being depreciated/amortized, net	<u>420,880,111</u>	<u>1,612,266</u>	<u>-</u>	<u>422,492,377</u>
Governmental activities capital assets, net	<u><u>\$ 437,923,294</u></u>	<u><u>\$ 13,428,396</u></u>	<u><u>\$ (7,488,445)</u></u>	<u><u>\$ 443,863,245</u></u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation/amortization expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 67,115
Special	39,063
Vocational	143,212
Other	116,768
<u>Support services:</u>	
Pupil	45,051
Instructional staff	41,683
Board of education	6,385
Administration	4,380
Fiscal	2,000
Business	9,312
Operations and maintenance	2,080,314
Pupil Transportation	2,699,269
Central	72,318
Other non-instructional services	252,596
Extracurricular	1,763,200
Unallocated building depreciation	<u>4,884,942</u>
Total depreciation/amortization expense	<u>\$ 12,227,608</u>

NOTE 10 - RISK MANAGEMENT

A. Property and Liability

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

The District's vehicles are covered under a business policy with United Educators Insurance for primary coverage and Liberty Mutual Fire Insurance Company for excess property coverage. This policy carries \$5 million limit for bodily injury and property damage to third parties. The auto liability self-insured retention is \$250,000 per accident. The District self-insures the physical damage coverage on all units.

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

B. Self-Insured Health Benefits

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 10 - RISK MANAGEMENT - (Continued)

The liability for unpaid claims of \$3,373,000 reported in the Internal Service Fund at June 30, 2025 is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," as amended by GASB Statement No. 30, "Risk Management Omnibus," which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Estimates were calculated based upon an independent actuarial evaluation of claims payable. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claims adjustment expenses. The District is responsible for all claims.

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

	Beginning of Year	Current Year Claims	Claim Payments	End of Year
2024	\$ 2,891,000	\$23,430,207	\$23,233,207	\$3,088,000
2025	3,088,000	27,074,407	26,789,407	3,373,000

C. Workers' Compensation

For calendar years 2007 through December 31, 2013, the District participated in an Individual Retrospective Rating Program. The District became fully insured for Workers' Compensation beginning in January 2014. This alternative rating plan allows employers to initially pay a low premium upfront while assuming the responsibility of paying the costs of the claims that occur for the injury year for a ten-year period. The risk exposure in the Group Retrospective Rating program is lower because it is capped at 15% of the standard premium whereas the Individual Retrospective Rating program is capped at 200%. The ten-year period for risk exposure under the Group Retrospective Program ended on December 31, 2023. The School District is no longer self-insured for any claims related to workers' compensation. The worker's compensation internal service fund was closed during fiscal year 2025.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

The net pension liability and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5% cost-of-living adjustment (COLA) for calendar year 2024.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2025, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2025, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$8,735,832 for fiscal year 2025. Of this amount, \$2,074,503 is reported as intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. The calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of credited service. Effective August 1, 2023, any member can retire with unreduced benefits with 34 years of services credit at any age; or five years of service credit and age 65. Effective June 1, 2025 - July 1, 2027, any member can retire with unreduced benefits with 33 years of service credit at any age; or five years of service credit and age 65. Effective on or after August 1, 2027, any member can retire with unreduced benefits with 34 years of service credit at any age; or five years of service credit and age 65.

In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a permanent 1 percent COLA of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits effective Aug. 1, 2023, can retire with 29 years of service credit at any age; or five years of service credit and age 60. Effective June 1, 2025 - July 1, 2027, retirement eligibility for reduced benefits is 28 years of service credit at any age; or five years of service credit and age 60. Effective on or after Aug. 1, 2027, retirement eligibility for reduced benefits is 29 years of service credit at any age; or five years of service credit and age 60.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

The DC Plan allows members to place all of their member contributions and 11.09% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 2.91% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate is deposited into the member's DC account and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

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

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2025 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2025, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$10,276,624 for fiscal year 2025. Of this amount, \$1,200,266 is reported as intergovernmental payable.

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

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.

**DAYTON CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	1.037609000%	0.632407000%	
Proportion of the net pension liability current measurement date	<u>1.166210100%</u>	<u>0.620486660%</u>	
Change in proportionate share	<u>0.128601100%</u>	<u>-0.011920340%</u>	
Proportionate share of the net pension liability	\$ 59,658,603	\$ 119,391,659	\$ 179,050,262
Pension expense	\$ 7,662,071	\$ 7,569,830	\$ 15,231,901

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 2,277,714	\$ 7,518,550	\$ 9,796,264
Changes of assumptions	533,692	5,502,222	6,035,914
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	4,919,968	1,717,245	6,637,213
Contributions subsequent to the measurement date	<u>8,735,832</u>	<u>10,276,624</u>	<u>19,012,456</u>
Total deferred outflows of resources	<u>\$ 16,467,206</u>	<u>\$ 25,014,641</u>	<u>\$ 41,481,847</u>

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 65,378	\$ 65,378
Net difference between projected and actual earnings on pension plan investments	3,731,611	10,265,255	13,996,866
Changes of assumptions	-	4,141,592	4,141,592
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>1,157,024</u>	<u>3,743,083</u>	<u>4,900,107</u>
Total deferred inflows of resources	<u>\$ 4,888,635</u>	<u>\$ 18,215,308</u>	<u>\$ 23,103,943</u>

\$19,012,456 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2026	\$ (1,872,068)	\$ (7,069,018)	\$ (8,941,086)
2027	4,931,329	10,282,620	15,213,949
2028	880,770	(3,706,221)	(2,825,451)
2029	(1,097,292)	(2,984,672)	(4,081,964)
Total	<u>\$ 2,842,739</u>	<u>\$ (3,477,291)</u>	<u>\$ (634,552)</u>

Actuarial Assumptions - SERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2137.

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2024 and June 30, 2023, are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.40%	2.40%
Future salary increases, including inflation	3.25% to 13.58%	3.25% to 13.58%
COLA or ad hoc COLA	2.00% on or after April 1, 2018, COLAs for future retirees will be delayed for 3 years following commencement	2.00% on or after April 1, 2018, COLAs for future retirees will be delayed for 3 years following commencement
Investment rate of return	7.00% net of system expenses	7.00% net of system expenses
Actuarial cost method	Entry age normal (level percent of payroll)	Entry age normal (level percent of payroll)

In 2024, mortality rates were based on the following:

Service Retirement: PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Disabled Retirement: PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Contingent Survivor: PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement date, mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed for the five-year period ended June 30, 2020.

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. Ohio Revised Code Section 3309.15 and the Board-adopted Investment Policy govern investment activity at SERS. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

As of June 30, 2024:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (geometric)
Cash	3.00 %	0.97 %
US Equity	22.00	4.68
Non-US Equity Developed	12.00	4.96
Non-US Equity Emerging	6.00	5.66
Fixed Income/Global Bonds	18.00	2.38
Private Equity	14.00	7.10
Real Estate	13.00	3.64
Infrastructure	7.00	4.80
Private Debt/Private Credit	5.00	5.86
Total	100.00 %	

Discount Rate - Total pension liability for 2024 was calculated using the discount rate of 7.00%. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 20-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2024 was 14%. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return, 7.00%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2024 was 9.31%.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%), or one percentage point higher (8.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 91,269,403	\$ 59,658,603	\$ 33,044,014

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2024 and June 30, 2023, actuarial valuations are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%, effective July 1, 2017	0.00%, effective July 1, 2017

For the June 30, 2024 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the prior measurement date, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2024 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.90 %
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
Total	100.00 %	

* Final target weights reflected at October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.40% and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2024.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table represents the proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 192,599,668	\$ 119,391,659	\$ 57,470,260

Assumption and Benefit Changes Since the Prior Measurement Date - The discount rate remained at 7.00% for June 30, 2024 valuation.

Retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages.

Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 12 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 11 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

The Health Care program is financed through a combination of employer contributions, recipient premiums, investment returns, and any funds received on behalf of SERS' participation in Medicare programs. The System's goal is to maintain a health care reserve account with a 20-year solvency period in order to ensure that fluctuations in the cost of health care do not cause an interruption in the program. However, during any period in which the 20-year solvency period is not achieved, the System shall manage the Health Care Fund on a pay-as-you-go basis.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2025, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2025, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2025, the District's surcharge obligation was \$425,409.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$425,409 for fiscal year 2025. Of this amount, \$425,409 is reported as intergovernmental payable.

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NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Plan Description - State Teachers Retirement System (STRS)

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Medicare Part D is a federal program to help cover the costs of prescription drugs for Medicare beneficiaries. This program allows STRS Ohio to recover part of the cost for providing prescription coverage since all eligible STRS Ohio health care plans include creditable prescription drug coverage.

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2025, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability/asset was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	1.009636000%	0.632407000%	
Proportion of the net OPEB liability/asset current measurement date	<u>1.140246000%</u>	<u>0.620486660%</u>	
Change in proportionate share	<u>0.130610000%</u>	<u>-0.011920340%</u>	
Proportionate share of the net OPEB liability	\$ 11,613,353	\$ -	\$ 11,613,353
Proportionate share of the net OPEB asset	\$ -	\$ (11,769,447)	\$ (11,769,447)
OPEB expense	\$ (1,853,257)	\$ (2,773,567)	\$ (4,626,824)

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ -	\$ 511,644	\$ 511,644
Net difference between projected and actual earnings on OPEB plan investments	56,700	-	56,700
Changes of assumptions	4,984,442	1,448,656	6,433,098
Difference between employer contributions and proportionate share of contributions/change in proportionate share	3,416,569	81,950	3,498,519
Contributions subsequent to the measurement date	425,409	-	425,409
Total deferred outflows of resources	<u>\$ 8,883,120</u>	<u>\$ 2,042,250</u>	<u>\$ 10,925,370</u>
	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ 12,522,210	\$ 1,268,373	\$ 13,790,583
Net difference between projected and actual earnings on OPEB plan investments	-	505,343	505,343
Changes of assumptions	5,334,750	5,307,947	10,642,697
Difference between employer contributions and proportionate share of contributions/change in proportionate share	2,685,071	31,511	2,716,582
Total deferred inflows of resources	<u>\$ 20,542,031</u>	<u>\$ 7,113,174</u>	<u>\$ 27,655,205</u>

\$425,409 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2026	\$ (3,501,975)	\$ (1,793,727)	\$ (5,295,702)
2027	(2,347,329)	(783,196)	(3,130,525)
2028	(1,593,542)	(1,010,741)	(2,604,283)
2029	(1,226,511)	(937,865)	(2,164,376)
2030	(1,209,441)	(758,277)	(1,967,718)
Thereafter	(2,205,522)	212,882	(1,992,640)
Total	<u>\$ (12,084,320)</u>	<u>\$ (5,070,924)</u>	<u>\$ (17,155,244)</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2024 and June 30, 2023 are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.40%	2.40%
Future salary increases, including inflation	3.25% to 13.58%	3.25% to 13.58%
Investment rate of return	7.00% net of investment expense, including inflation	7.00% net of investment expense, including inflation
Actuarial cost method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Fiduciary net position is projected to be depleted	2059	2048
Municipal bond index rate	3.93%	3.86%
Single equivalent interest rate, net of plan investment expense, including price inflation	4.88%	4.27%
Medical trend assumption	7.00 to 4.40%	6.75 to 4.40%

In 2024, the following mortality assumptions were used:

Healthy Retirees - PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.

Disabled Retirees - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.

Contingent Survivors - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.

Actives - PUB-2010 General Amount Weighted Below Median Employee mortality table.

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NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Mortality Projection - Mortality rates are projected using a fully generational projection with Scale MP-2020.

In the prior measurement date, the following mortality assumptions were used:

Healthy Retirees - PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.

Disabled Retirees - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.

Contingent Survivors - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.

Actives - PUB-2010 General Amount Weighted Below Median Employee mortality table.

Mortality Projection - Mortality rates are projected using a fully generational projection with Scale MP-2020.

The most recent experience study was completed for the five-year period ended June 30, 2020.

The long-term expected rate on plan assets of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent five-year experience study was performed for the period covering fiscal years 2016 through 2020, and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

As of June 30, 2024:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (geometric)</u>
Cash	3.00 %	0.97 %
US Equity	22.00	4.68
Non-US Equity Developed	12.00	4.96
Non-US Equity Emerging	6.00	5.66
Fixed Income/Global Bonds	18.00	2.38
Private Equity	14.00	7.10
Real Estate	13.00	3.64
Infrastructure	7.00	4.80
Private Debt/Private Credit	5.00	5.86
Total	<u>100.00 %</u>	

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2024, was 4.88%. The discount rate used to measure total OPEB liability prior to June 30, 2024, was 4.27%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position is projected to be depleted in 2059 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2023 and the June 30, 2024 total OPEB liability. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 3.93% at June 30, 2024 and 3.86% at June 30, 2023.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the proportionate share of the net OPEB liability, what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.88%) and higher (5.88%) than the current discount rate (4.88%). Also shown is what the proportionate share of the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 15,485,992	\$ 11,613,353	\$ 8,536,016

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 7,850,192	\$ 11,613,353	\$ 16,559,722

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2024 actuarial valuation, compared with June 30, 2023 actuarial valuation, are presented below:

	June 30, 2024		June 30, 2023	
Projected salary increases	Varies by service from 2.50% to 8.50%		Varies by service from 2.50% to 8.50%	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Discount rate of return	7.00%		7.00%	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	7.50%	4.14%
Medicare	-112.22%	3.94%	-10.94%	4.14%
Prescription Drug				
Pre-Medicare	8.00%	3.94%	-11.95%	4.14%
Medicare	-15.14%	3.94%	1.33%	4.14%

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

For the June 30, 2024 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the prior measurement date, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2024 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

Assumption Changes Since the Prior Measurement Date - The discount rate remained unchanged at 7.00% for the June 30, 2024 valuation.

Benefit Term Changes Since the Prior Measurement Date - Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2025. The larger Medicare trends for Years 2027 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

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

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Long-Term Expected Real Rate of Return **</u>
Domestic Equity	26.00 %	6.90 %
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
Total	<u>100.00 %</u>	

* Final target weights reflected at October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.40% and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate - The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on health care plan investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2024.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2024, calculated using the current period discount rate assumption of 7.00%, as well as what the proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the proportionate share of the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 9,569,338	\$ 11,769,447	\$ 13,684,020
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 13,813,348	\$ 11,769,447	\$ 9,311,389

NOTE 13 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Vacation days are credited to classified employees and administrators each month and may be accrued up to a maximum of the number of days earned during the fiscal year. Vacation days in excess of the annual number of days earned by the classified employee may be carried forward only with the approval of the superintendent. Administrators are only allowed to carryover up to ten vacation days to the following fiscal year. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. However, administrators vacation payout is capped at five days. Teachers do not earn vacation time.

Administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 250 days. Upon retirement, payment is made for one-fourth of the total accumulated and unused sick leave, up to a maximum of 180 days for administrators and 160 days for classified employees. In addition, classified employees are subject to the following additional sick leave based on length of service:

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 13 - OTHER EMPLOYEE BENEFITS - (Continued)

Teachers earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 280 days. Upon retirement, payment is made for one-fourth of the total accumulated and unused sick leave, up to a maximum of 280 days.

B. Insurance

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

C. Deferred Compensation

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

NOTE 14 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous Federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

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

C. Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional Districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education and Workforce (ODEW) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. The final adjustments for FY2025 did not have a significant impact on the District's foundation funding.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 15 - LONG-TERM OBLIGATIONS

Due to the implementation of GASB Statement No. 101 (See Note 3 for detail), this District has restated compensated absences as of June 30, 2024 which is reflected in the schedules below. During fiscal year 2025, the following changes occurred in the District's long-term obligations during fiscal year 2025 were as follows:

	(Restated) Balance 06/30/24	Increases	Decreases	Balance 06/30/25	Amount Due Within One Year
<u>Governmental activities:</u>					
<u>General Obligation Bonds:</u>					
<u>Non-Direct Placement:</u>					
2014 School Construction and Improvement Unlimited Tax Bonds Series 2014 1.0-5.0%	\$ 80,210,000	\$ -	\$ (9,290,000)	\$ 70,920,000	\$ 9,755,000
Add: Unamortized Bond Premium	7,065,886	-	(963,533)	6,102,353	-
Total Non-Direct Placement	87,275,886	-	(10,253,533)	77,022,353	9,755,000
Total General Obligation Bonds	87,275,886	-	(10,253,533)	77,022,353	9,755,000
 <u>Other Long-Term Debt:</u>					
2020 Certificate of Participation	\$ 7,605,000	\$ -	\$ (505,000)	\$ 7,100,000	\$ 525,000
2021 Certificate of Participation	7,955,000	-	(495,000)	7,460,000	510,000
Add: Unamortized Note Premium	1,586,756	-	(137,045)	1,449,711	-
Total Other Long-Term Debt	17,146,756	-	(1,137,045)	16,009,711	1,035,000
 <u>Other Long-Term Debt:</u>					
Net pension liability	193,521,748	2,325,370	(16,796,856)	179,050,262	-
Net OPEB liability	16,633,203	-	(5,019,850)	11,613,353	-
Compensated Absences Payable	21,840,795	4,677,550	-	26,518,345	5,421,888
Lease Payable	-	623,881	-	623,881	147,890
Claims Payable	3,088,000	27,359,407	(27,074,407)	3,373,000	3,187,742
Total other long-term obligations	235,083,746	34,986,208	(48,891,113)	221,178,841	8,757,520
Total long-term obligations	<u>\$ 339,506,388</u>	<u>\$ 34,986,208</u>	<u>\$ (60,281,691)</u>	<u>\$ 314,210,905</u>	<u>\$ 19,547,520</u>

* The change in compensated absences is presented as a net amount.

There is no repayment schedule for the net pension/OPEB liability. However, employer pension contributions are made from the following funds: General Fund, Auxiliary Services Fund, Elementary and Secondary School Emergency Relief Fund, Title VI-B Fund, Career Technical Education Fund, Title I Fund, EHA Preschool Grant for the Handicapped Fund, Title VI-R Classroom Size Reduction Fund, Title IV-A Grant Fund, Food Service Fund, Welcome Stadium Fund. For additional information related to the net pension and OPEB liabilities see Note 11 and 12.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 9,755,000	\$ 3,167,375	\$ 12,922,375
2027	10,245,000	2,667,125	12,912,125
2028	10,750,000	2,209,750	12,959,750
2029	11,155,000	1,729,625	12,884,625
2030	11,710,000	1,158,000	12,868,000
2031-2032	<u>17,305,000</u>	<u>682,875</u>	<u>17,987,875</u>
Total	<u>\$ 70,920,000</u>	<u>\$ 11,614,750</u>	<u>\$ 82,534,750</u>

2020 Certificates of Participation – During fiscal year 2021, the School District issued \$10,000,000 in Certificate of Participation to fund certain capital improvements throughout the School District. The certificates of participation were issued for a 15-year period with final maturity on November 15, 2035.

2021 Certificates of Participation – During fiscal year 2022, the School District issued \$10,000,000 in Certificate of Participation to fund certain capital improvements throughout the School District. The certificates of participation were issued for a 15-year period with final maturity on November 15, 2036.

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,035,000	\$ 507,519	\$ 1,542,519
2027	1,075,000	470,519	1,545,519
2028	1,115,000	432,094	1,547,094
2029	1,155,000	389,419	1,544,419
2030	1,200,000	342,319	1,542,319
2031-2035	6,745,000	969,634	7,714,634
2036-2037	<u>2,235,000</u>	<u>59,500</u>	<u>2,294,500</u>
Total	<u>\$ 14,560,000</u>	<u>\$ 3,171,004</u>	<u>\$ 17,731,004</u>

Leases Payable - The District has entered into a lease agreement for the right to use buildings. The District reports an intangible capital asset and corresponding liability for the future scheduled payments under the lease. The lease payments will be from the general fund.

The following is a description of the District's future annual debt service requirements to maturity for the lease obligation:

<u>Fiscal Year</u>	<u>Lease Obligation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 147,890	\$ 27,835	\$ 175,725
2027	155,456	20,269	175,725
2028	163,409	12,316	175,725
2029	<u>157,126</u>	<u>3,955</u>	<u>161,081</u>
Total	<u>\$ 623,881</u>	<u>\$ 64,375</u>	<u>\$ 688,256</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 16 - SET-ASIDES

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

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2024	\$ -
Current year set-aside requirement	2,903,737
Current fiscal year revenue off-sets	(2,903,737)
Qualifying Disbursements	<u>-</u>
Set-aside balance June 30, 2025	<u><u>\$ -</u></u>

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

The District transferred \$42,000,000 to the capital projects fund that will be available in future fiscal years as a capital improvement offset.

NOTE 17 - COMMITMENTS

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

<u>Fund</u>	<u>Fiscal Year-End Encumbrances</u>
General fund	\$ 12,413,631
Nonmajor governmental funds	<u>18,552,112</u>
Total	<u><u>\$ 30,965,743</u></u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 17 – COMMITMENTS – (Continued)

The outstanding construction commitments at June 30, 2025, are:

<u>Contractor</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance at 6/30/2025</u>
AKA Construction, Inc.	\$ 827,713	\$ 321,854	\$ 505,859
Perfection Group	2,128,972	666,451	1,462,521
AGM Energy Services	54,000	-	54,000
Elitaire LLC	167,312	-	167,312
APP Architecture Inc.	109,940	-	109,940
Brumbaugh Construction Inc.	5,000,000	-	5,000,000
Duro-Last Holcim Solutions	<u>1,175,461</u>	<u>-</u>	<u>1,175,461</u>
Total	<u>\$ 9,463,398</u>	<u>\$ 988,305</u>	<u>\$ 8,475,093</u>

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REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - over (under) Actual Amounts
	Original	Final		
Budgetary revenues:				
Property taxes	\$ 68,002,634	\$ 68,369,710	\$ 74,599,661	\$ 6,229,951
Intergovernmental	156,821,646	157,668,163	145,927,583	(11,740,580)
Investment earnings	4,053,325	4,075,205	7,831,658	3,756,453
Tuition and fees	1,789,858	1,799,520	2,455,035	655,515
Rental income	67,000	67,362	15,241	(52,121)
Charges for services	77,621	78,040	46,337	(31,703)
Contributions and donations	253,995	255,366	112,720	(142,646)
Miscellaneous	3,294,547	3,312,331	1,976,271	(1,336,060)
Total budgetary revenues	<u>234,360,626</u>	<u>235,625,697</u>	<u>232,964,506</u>	<u>(2,661,191)</u>
Budgetary expenditures:				
Current:				
Instruction:				
Regular	66,225,306	76,550,395	74,499,588	(2,050,807)
Special	46,272,464	53,486,736	48,220,826	(5,265,910)
Vocational	4,699,187	5,431,830	5,418,330	(13,500)
Adult/continuing				-
Other	2,842,404	3,285,559	3,267,203	(18,356)
Support services:				
Pupil	16,568,495	19,151,665	15,648,870	(3,502,795)
Instructional staff	5,415,880	6,260,262	5,435,895	(824,367)
Board of education	2,005,910	2,318,648	2,249,243	(69,405)
Administration	16,963,696	19,608,481	17,527,156	(2,081,325)
Fiscal	6,013,456	6,951,005	5,731,531	(1,219,474)
Business	1,828,326	2,113,378	1,782,875	(330,503)
Operations and maintenance	27,271,503	31,523,363	27,635,611	(3,887,752)
Pupil transportation	20,109,751	23,245,033	23,473,088	228,055
Operation of non-instructional services:				
Other non-instructional services	17,472,339	20,196,426	19,348,154	(848,272)
Extracurricular activities	4,646,559	5,370,997	5,055,385	(315,612)
Total budgetary expenditures	<u>238,335,276</u>	<u>275,493,778</u>	<u>255,293,755</u>	<u>(20,200,023)</u>
Budgetary excess (deficiency) of revenues over (under) expenditures	(3,974,650)	(39,868,081)	(22,329,249)	17,538,832
Budgetary other financing sources (uses):				
Refund of prior year's expenditures	171,310	172,234	7,037	(165,197)
Transfers (out)	(38,860,607)	(44,919,307)	(43,488,872)	1,430,435
Advances in	9,350,745	9,401,220	8,738,556	(662,664)
Advances (out)	(3,500,557)	(4,046,324)	(4,046,324)	-
Sale of capital assets	98,269	98,799	-	(98,799)
Total budgetary other financing sources (uses)	<u>(32,740,840)</u>	<u>(39,293,378)</u>	<u>(38,789,603)</u>	<u>503,775</u>
Net change in fund balance	(36,715,490)	(79,161,459)	(61,118,852)	18,042,607
Budgetary fund balance at beginning of year, restated	121,817,835	121,817,835	121,817,835	-
Prior year encumbrances appropriated	17,353,160	17,353,160	17,353,160	-
Budgetary fund balance at end of year	<u>\$ 102,455,505</u>	<u>\$ 60,009,536</u>	<u>\$ 78,052,143</u>	<u>\$ 18,042,607</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY AND
DISTRICT PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

Fiscal Year (1)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	1.166210100%	\$ 59,658,603	\$ 47,581,871	125.38%	78.52%
2024	1.037609000%	57,333,233	43,646,479	131.36%	76.06%
2023	1.091067000%	59,013,389	39,694,007	148.67%	75.82%
2022	1.017693600%	37,549,942	31,504,900	119.19%	82.86%
2021	1.043735500%	69,034,865	36,497,050	189.15%	68.55%
2020	1.051071900%	62,887,473	40,329,844	155.93%	70.85%
2019	1.054923600%	60,417,429	37,840,089	159.67%	71.36%
2018	1.104206900%	65,973,926	31,653,186	208.43%	69.50%
2017	1.104987600%	80,874,898	38,855,764	208.14%	62.98%
2016	1.142075100%	65,167,913	34,818,629	187.16%	69.16%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 8,735,832	\$ (8,735,832)	\$ -	\$ 62,398,800	14.00%
2024	6,661,462	(6,661,462)	-	47,581,871	14.00%
2023	6,110,507	(6,110,507)	-	43,646,479	14.00%
2022	5,557,161	(5,557,161)	-	39,694,007	14.00%
2021	4,410,686	(4,410,686)	-	31,504,900	14.00%
2020	5,109,587	(5,109,587)	-	36,497,050	14.00%
2019	5,444,529	(5,444,529)	-	40,329,844	13.50%
2018	5,108,412	(5,108,412)	-	37,840,089	13.50%
2017	4,431,446	(4,431,446)	-	31,653,186	14.00%
2016	5,439,807	(5,439,807)	-	38,855,764	14.00%

(1) Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY AND
DISTRICT PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

Fiscal Year (1)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.620486660%	\$ 119,391,659	\$ 86,120,450	138.63%	82.55%
2024	0.632407000%	136,188,515	85,693,521	158.93%	80.02%
2023	0.632715410%	140,653,434	82,891,129	169.68%	78.88%
2022	0.595155131%	76,095,932	68,330,643	111.36%	87.78%
2021	0.619805240%	149,970,815	75,439,293	198.80%	75.48%
2020	0.593973180%	131,353,600	74,739,014	175.75%	77.40%
2019	0.598418270%	131,578,742	67,953,457	193.63%	77.31%
2018	0.634456190%	150,716,427	64,315,879	234.34%	75.30%
2017	0.614180870%	205,584,852	70,308,157	292.41%	66.80%
2016	0.660105320%	182,433,802	68,088,093	267.94%	72.10%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 10,276,624	\$ (10,276,624)	\$ -	\$ 73,404,457	14.00%
2024	12,056,863	(12,056,863)	-	86,120,450	14.00%
2023	11,997,093	(11,997,093)	-	85,693,521	14.00%
2022	11,604,758	(11,604,758)	-	82,891,129	14.00%
2021	9,566,290	(9,566,290)	-	68,330,643	14.00%
2020	10,561,501	(10,561,501)	-	75,439,293	14.00%
2019	10,463,462	(10,463,462)	-	74,739,014	14.00%
2018	9,513,484	(9,513,484)	-	67,953,457	14.00%
2017	9,004,223	(9,004,223)	-	64,315,879	14.00%
2016	9,843,142	(9,843,142)	-	70,308,157	14.00%

(1) Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY AND
DISTRICT OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST NINE AND TEN FISCAL YEARS

Fiscal Year (1) (2)	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2025	1.140246000%	\$ 11,613,353	\$ 47,581,871	24.41%	44.50%
2024	1.009636000%	16,633,203	43,646,479	38.11%	30.02%
2023	1.069574000%	15,016,932	39,694,007	37.83%	30.34%
2022	0.977018300%	18,490,873	31,504,900	58.69%	24.08%
2021	0.995941800%	21,645,075	36,497,050	59.31%	18.17%
2020	1.015674600%	25,542,080	40,329,844	63.33%	15.57%
2019	1.040193400%	28,857,775	37,840,089	76.26%	13.57%
2018	1.090819600%	29,274,733	31,653,186	92.49%	12.46%
2017	1.103131700%	31,443,334	38,855,764	80.92%	11.49%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 425,409	\$ (425,409)	\$ -	\$ 62,398,800	0.68%
2024	542,688	(542,688)	-	47,581,871	1.14%
2023	438,601	(438,601)	-	43,646,479	1.00%
2022	462,952	(462,952)	-	39,694,007	1.17%
2021	293,559	(293,559)	-	31,504,900	0.93%
2020	227,659	(227,659)	-	36,497,050	0.62%
2019	533,515	(533,515)	-	40,329,844	1.32%
2018	617,804	(617,804)	-	37,840,089	1.63%
2017	457,167	(457,167)	-	31,653,186	1.44%
2016	486,745	(486,745)	-	38,855,764	1.25%

(1) Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/(ASSET) AND
DISTRICT OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST NINE AND TEN FISCAL YEARS

Fiscal Year (1) (2)	District's Proportion of the Net OPEB Liability/(Asset)	District's Proportionate Share of the Net OPEB Liability/(Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)
2025	0.620486660%	\$ (11,769,447)	\$ 86,120,450	13.67%	158.01%
2024	0.632407000%	(12,299,443)	85,693,521	14.35%	168.50%
2023	0.632715410%	(16,383,110)	82,891,129	19.76%	230.70%
2022	0.595155131%	(12,548,359)	68,330,643	18.36%	174.70%
2021	0.619805240%	(10,893,063)	75,439,293	14.44%	182.13%
2020	0.593973180%	(9,837,621)	74,739,014	13.16%	174.70%
2019	0.598418270%	(9,615,971)	67,953,457	14.15%	176.00%
2018	0.634456190%	24,754,139	64,315,879	38.49%	47.10%
2017	0.614180870%	32,846,553	70,308,157	46.72%	37.30%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ -	\$ -	\$ -	\$ 73,404,457	0.00%
2024	-	-	-	86,120,450	0.00%
2023	-	-	-	85,693,521	0.00%
2022	-	-	-	82,891,129	0.00%
2021	-	-	-	68,330,643	0.00%
2020	-	-	-	75,439,293	0.00%
2019	-	-	-	74,739,014	0.00%
2018	-	-	-	67,953,457	0.00%
2017	-	-	-	64,315,879	0.00%
2016	-	-	-	70,308,157	0.00%

(1) Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 - BUDGETARY PROCESS

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

All funds, other than the Educational Foundation special revenue fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, 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 control has been established by the Board of Education at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education. 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 District Treasurer. The amounts reported as the original budgeted amounts in the budgetary schedules reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary schedules reflect the amounts in the final amended certificate issued during fiscal year 2025.

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 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.

The schedule of revenues, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented 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 the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 - BUDGETARY PROCESS – (Continued)

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis is as follows:

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ (61,118,852)
Net adjustment for revenue and other financing sources accruals	5,764,938
Net adjustment for expenditure and other financing uses accruals	2,897,054
Funds budgeted elsewhere	(57,802)
Adjustments for encumbrances	<u>14,938,607</u>
GAAP Basis	<u>\$ (37,576,055)</u>

As part of Governmental Accounting Standards Board Statement No. 54, “Fund Balance Reporting”, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund. This includes the uniform school supplies fund, the unclaimed monies fund, the public school support fund, and other rotary fund.

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB)

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- For fiscal year 2023, SERS changed from a Cost of Living Adjustment (COLA) of 2.0% to 2.5%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2024.
- There were no changes in benefit terms from the amounts reported for fiscal year 2025.

Change in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50% - 18.20% to 3.25% - 13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2025.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2023.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2024.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2025.

Changes in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2025.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- There were no changes in benefit terms from the amounts reported for fiscal year 2018.
- There were no changes in benefit terms from the amounts reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts reported for fiscal year 2021.
- There were no changes in benefit terms from the amounts reported for fiscal year 2022.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.
- There were no changes in benefit terms from the amounts reported for fiscal year 2024.
- There were no changes in benefit terms from the amounts reported for fiscal year 2025.

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

Change in assumptions:

- For fiscal year 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50% - 5.00% to a range of 5.375% - 4.75% and Pre-Medicare were changed from a range of 7.50% - 5.00% to a range of 7.25% - 4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375% - 4.75% to a range of 5.25% - 4.75% and Pre-Medicare were changed from a range of 7.25% - 4.75% to a range of 7.00% - 4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.
- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50% - 18.20% to 3.25% - 13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.
- For fiscal year 2024, the following changes of assumptions affect the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 3.69% to 3.86%, (b) single equivalent interest rate when from 4.08% to 4.27% and (c) medical trend assumptions went from 7.00% to 4.40% to 6.75% to 4.40%.

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

- For fiscal year 2025, the following changes of assumptions affect the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 3.86% to 3.93%, (b) single equivalent interest rate when from 4.27% to 4.88% and (c) medical trend assumptions went from 6.75% to 4.40% to 7.00% to 4.40%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Change in benefit terms:

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the non-Medicare subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2024.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2025.

Change in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)," (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, “*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*” and (b) decrease in health care cost trend rates from 6.00% - 11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate; and prescription drug Medicare from (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.
- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to - 6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from - 6.69% initial - 4.00% ultimate down to - 16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from - 16.18% initial - 4.00% ultimate to - 68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to - 5.47% initial - 3.94% ultimate.
- For fiscal year 2024, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) health care cost trend rates were changed to the following: medical Pre-Medicare from 7.50% initial - 3.94% ultimate to 7.50% initial - 4.14% ultimate; medical Medicare from - 68.78% initial - 3.94% ultimate to - 10.94% initial - 4.14% ultimate; prescription drug Pre-Medicare from 9.00% initial - 3.94% ultimate to - 11.95% initial - 4.14% ultimate; and prescription drug Medicare from - 5.47% initial - 3.94% ultimate to 1.33% initial - 4.14% ultimate.
- For fiscal year 2025, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) health care cost trend rates were changed to the following: medical Pre-Medicare from 7.50% initial - 4.14% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from - 10.94% initial - 4.14% ultimate to - 112.22% initial - 3.94% ultimate; prescription drug Pre-Medicare from - 11.95% initial - 4.14% ultimate to 8.00% initial - 3.94% ultimate; and prescription drug Medicare from 1.33% initial - 4.14% ultimate to - 15.14% initial - 3.94% ultimate.

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

SUPPLEMENTARY INFORMATION

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

Nonmajor Fund Descriptions

Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditure for specified purposes. The title of each special revenue fund is descriptive of the activities accounted for therein. The nonmajor special revenue funds are:

Nonmajor Special Revenue Funds

Other Grants Fund

A fund provided to account for the proceeds of specific revenue sources, except for State and Federal grants that are legally restricted to expenditures for specified purposes.

Education Foundation Fund

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

Maintenance of Classroom Facilities Fund

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

Student Managed Activities Fund

A fund provided to account for and report resources that are restricted for various student groups in the School District. This fund accounts for student activity programs which have student participation in the activity and have students involved in the management of the program.

District Managed Student Activities Fund

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

Auxiliary Services Fund

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

Public School Preschool Fund

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

Data Communication Fund

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

Miscellaneous State Grants Fund

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

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

Nonmajor Special Revenue Funds (Continued)

Elementary and Secondary School Emergency Relief Fund (ESSER)

A fund used to account for restricted monies received under a federal grant to provide emergency relief grants to school districts related to COVID-19 pandemic. Restricts include, but are not limited to, providing for coordination of preparedness and response efforts, training and professional development of staff, planning and coordination during long-term closure, and purchasing technology for students.

21st Century Grant Fund

A fund used to account for and report federal grants restricted to professional development and student learning. The grant offers a unique opportunity to schools that are ready and willing to embrace the change that is required for 21st Century learning. Through sustained, collaborative, job-embedded professional development and the uses of research-based methods, teachers will experience new models and strategies for teaching and learning. Teachers will become facilitators and co-learners, and create technology-enabled learning environments in which students will meet or exceed the State academic content standards and develop 21st Century skills.

Title VI-B Fund

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

Career Technical Education Fund

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

Title I School Improvement Stimulus A Fund

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

Stimulus School Improvement Subsidy G Fund

A fund used to account for and report restricted federal grant monies provided to School District buildings through a competitive process in implementing a school improvement plan that is focused on the specific reasons that caused the building to be identified for school improvement under the No Child Left Behind Act. Budgetary information for the Stimulus School Improvement Subsidy G special revenue fund is not reported because the fund was not budgeted and there was no cash activity during the fiscal year.

Dropout Prevention and Intervention Fund

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

Title I Fund

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

Title IV-A Grant Fund

A fund used to account for and report federal dollars restricted to provide all students with access to a well-rounded education; improve school conditions for student learning; and improve the use of technology in order to improve the academic achievement and digital literacy of all students.

EHA Preschool Grants for the Handicapped Fund

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

Title VI-R Classroom Size Reduction Fund

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

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

Nonmajor Special Revenue Funds (Continued)

Miscellaneous Federal Grants Fund

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

Special Trust Fund

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

Food Service Fund

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

Welcome Stadium Fund

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

Uniform School Supplies Fund

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

Other Grant Rotary Fund

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

Public School Support Fund

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

Capital Projects Funds

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

Nonmajor Capital Projects Fund

Permanent Improvement Fund

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

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 35,608,749	\$ 9,385,087	\$ 44,993,836
Cash with fiscal agent	896,352	-	896,352
Receivables:			
Property taxes	1,012,369	1,012,369	2,024,738
Intergovernmental	6,127,732	-	6,127,732
Total assets	<u>\$ 43,645,202</u>	<u>\$ 10,397,456</u>	<u>\$ 54,042,658</u>
Liabilities:			
Accounts payable	\$ 1,950,927	\$ 631,582	\$ 2,582,509
Accrued wages and benefits payable	1,042,710	-	1,042,710
Matured compensated absences payable	1,923	-	1,923
Intergovernmental payable	564,219	-	564,219
Interfund loans payable	2,457,724	-	2,457,724
Total liabilities	<u>6,017,503</u>	<u>631,582</u>	<u>6,649,085</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	630,188	630,288	1,260,476
Delinquent property tax revenue not available	359,838	359,838	719,676
Intergovernmental revenue not available	625,244	-	625,244
Total deferred inflows of resources	<u>1,615,270</u>	<u>990,126</u>	<u>2,605,396</u>
Fund balances:			
Restricted	36,404,439	8,775,748	45,180,187
Committed	233,234	-	233,234
Unassigned (deficit)	(625,244)	-	(625,244)
Total fund balances	<u>36,012,429</u>	<u>8,775,748</u>	<u>44,788,177</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 43,645,202</u>	<u>\$ 10,397,456</u>	<u>\$ 54,042,658</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:			
From local sources:			
Property taxes	\$ 671,733	\$ 671,633	\$ 1,343,366
Intergovernmental	49,987,331	73,586	50,060,917
Investment earnings	1,283,330	-	1,283,330
Tuition and fees	300	-	300
Extracurricular activities	801,477	-	801,477
Charges for services	823,024	-	823,024
Contributions and donations	39,257	-	39,257
Miscellaneous	39,959	117,003	156,962
Total revenues	<u>53,646,411</u>	<u>862,222</u>	<u>54,508,633</u>
Expenditures:			
Current:			
Instruction:			
Regular	33,288	-	33,288
Special	6,509,139	-	6,509,139
Vocational	618,853	-	618,853
Other	3,286,220	-	3,286,220
Support services:			
Pupil	7,565,871	-	7,565,871
Instructional staff	3,614,037	-	3,614,037
Administration	750,026	-	750,026
Fiscal	62,596	14,507	77,103
Operations and maintenance	6,294,779	8,376,863	14,671,642
Pupil transportation	2,050,932	-	2,050,932
Central	51,765	-	51,765
Operation of non-instructional services	14,739,400	-	14,739,400
Extracurricular activities	837,969	-	837,969
Facilities acquisition and construction	239,927	-	239,927
Debt service:			
Principal retirement	-	1,000,000	1,000,000
Interest	-	544,794	544,794
Total expenditures	<u>46,654,802</u>	<u>9,936,164</u>	<u>56,590,966</u>
Excess of revenues over expenditures	<u>6,991,609</u>	<u>(9,073,942)</u>	<u>(2,082,333)</u>
Other financing sources (uses):			
Transfers in	<u>100,000</u>	<u>1,388,872</u>	<u>1,488,872</u>
Total other financing (uses)	<u>100,000</u>	<u>1,388,872</u>	<u>1,488,872</u>
Net change in fund balances	7,091,609	(7,685,070)	(593,461)
Fund balances at beginning of fiscal year, as previously reported	34,042,127	16,460,818	50,502,945
Adjustment - change in major and nonmajor funds	(5,121,307)	-	(5,121,307)
Fund balances at beginning of fiscal year, as adjusted	28,920,820	16,460,818	45,381,638
Fund balances at end of fiscal year	<u><u>\$ 36,012,429</u></u>	<u><u>\$ 8,775,748</u></u>	<u><u>\$ 44,788,177</u></u>

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025

	Other Grants Fund	Education Foundation Fund	Maintenance of Classroom Facilities Fund	Student Managed Activities Fund	District Managed Student Activities Fund
Assets:					
Equity in pooled cash and cash equivalents	\$ 793,619	\$ -	\$ 4,603,924	\$ 259,804	\$ 630,818
Cash with fiscal agent	-	896,352	-	-	-
Receivables:					
Property taxes	-	-	1,012,369	-	-
Intergovernmental	-	-	-	-	-
Total assets	<u>\$ 793,619</u>	<u>\$ 896,352</u>	<u>\$ 5,616,293</u>	<u>\$ 259,804</u>	<u>\$ 630,818</u>
Liabilities:					
Accounts payable	\$ 1,043	\$ -	\$ 146,497	\$ 4,947	\$ 33,009
Accrued wages and benefits payable	-	-	-	-	-
Matured compensated absences payable	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-
Interfund loans payable	-	-	-	-	-
Total liabilities	<u>1,043</u>	<u>-</u>	<u>146,497</u>	<u>4,947</u>	<u>33,009</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	-	-	630,188	-	-
Delinquent property tax revenue not available	-	-	359,838	-	-
Intergovernmental revenue not available	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>990,026</u>	<u>-</u>	<u>-</u>
Fund balances:					
Restricted:	792,576	896,352	4,479,770	254,857	597,809
Committed	-	-	-	-	-
Unassigned (deficits)	-	-	-	-	-
Total fund balances (deficits)	<u>792,576</u>	<u>896,352</u>	<u>4,479,770</u>	<u>254,857</u>	<u>597,809</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 793,619</u>	<u>\$ 896,352</u>	<u>\$ 5,616,293</u>	<u>\$ 259,804</u>	<u>\$ 630,818</u>

Auxiliary Services Fund	Public School Preschool Fund	Data Communication Fund	Miscellaneous State Grants Fund	ESSER Fund	21st Century Grant Fund	Title VI-B Fund
\$ 716,841	\$ -	\$ 57,475	\$ 154,966	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	264,482	-	-	62,545	70,035	505,947
<u>\$ 716,841</u>	<u>\$ 264,482</u>	<u>\$ 57,475</u>	<u>\$ 154,966</u>	<u>\$ 62,545</u>	<u>\$ 70,035</u>	<u>\$ 505,947</u>
\$ 252,642	\$ 100,905	\$ -	\$ -	-	30,319	\$ 27,497
9,813	-	-	-	32,577	-	171,896
-	-	-	-	-	-	-
1,106	1,107	-	-	29,968	-	61,290
-	162,470	-	-	-	39,716	245,264
<u>263,561</u>	<u>264,482</u>	<u>-</u>	<u>-</u>	<u>62,545</u>	<u>70,035</u>	<u>505,947</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	264,482	-	-	62,545	2,551	56,146
<u>-</u>	<u>264,482</u>	<u>-</u>	<u>-</u>	<u>62,545</u>	<u>2,551</u>	<u>56,146</u>
453,280	-	57,475	154,966	-	-	-
-	-	-	-	-	-	-
-	(264,482)	-	-	(62,545)	(2,551)	(56,146)
<u>453,280</u>	<u>(264,482)</u>	<u>57,475</u>	<u>154,966</u>	<u>(62,545)</u>	<u>(2,551)</u>	<u>(56,146)</u>
<u>\$ 716,841</u>	<u>\$ 264,482</u>	<u>\$ 57,475</u>	<u>\$ 154,966</u>	<u>\$ 62,545</u>	<u>\$ 70,035</u>	<u>\$ 505,947</u>

-- (Continued)

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2025

	Career Technical Education Fund	Title I School Improvement Stimulus A Fund	Dropout Prevention and Intervention Fund	Title I Fund	Title IV-A Grant Fund
Assets:					
Equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ 1,207	\$ -
Cash with fiscal agent	-	-	-	-	-
Receivables:					
Property taxes	-	-	-	-	-
Intergovernmental	141,618	126,563	73,231	2,740,030	462,419
Total assets	<u>\$ 141,618</u>	<u>\$ 126,563</u>	<u>\$ 73,231</u>	<u>\$ 2,741,237</u>	<u>\$ 462,419</u>
Liabilities:					
Accounts payable	\$ 88,314	\$ 118,421	\$ 48,367	\$ 506,557	\$ 163,291
Accrued wages and benefits payable	-	3,000	7,855	732,128	25,169
Matured compensated absences payable	-	-	-	1,493	-
Intergovernmental payable	-	420	1,033	159,679	2,378
Interfund loans payable	53,304	4,722	15,976	1,341,380	271,581
Total liabilities	<u>141,618</u>	<u>126,563</u>	<u>73,231</u>	<u>2,741,237</u>	<u>462,419</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	-	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-	-
Intergovernmental revenue not available	-	-	15,276	-	154,735
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>15,276</u>	<u>-</u>	<u>154,735</u>
Fund balances:					
Restricted:	-	-	-		-
Committed	-	-	-	-	-
Unassigned (deficits)	-	-	(15,276)	-	(154,735)
Total fund balances (deficits)	<u>-</u>	<u>-</u>	<u>(15,276)</u>	<u>-</u>	<u>(154,735)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 141,618</u>	<u>\$ 126,563</u>	<u>\$ 73,231</u>	<u>\$ 2,741,237</u>	<u>\$ 462,419</u>

EHA Preschool Grants for the for the Handicapped Fund	Title VI-R Classroom Size Reduction Fund	Miscellaneous Federal Grants Fund	Special Trust Fund	Food Service Fund	Welcome Stadium Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 26,982	\$ 241,886	\$ 27,757,862	\$ 363,365	\$ 35,608,749
		-	-	-	-	896,352
		-	-	-	-	1,012,369
3,929	493,107	65,580	-	1,118,246	-	6,127,732
<u>\$ 3,929</u>	<u>\$ 493,107</u>	<u>\$ 92,562</u>	<u>\$ 241,886</u>	<u>\$ 28,876,108</u>	<u>\$ 363,365</u>	<u>\$ 43,645,202</u>
\$ -	\$ 323,666	\$ -	\$ -	\$ 103,997	\$ 1,455	\$ 1,950,927
-	52,883	5,871	-	365	1,153	1,042,710
-	-	-	-	430	-	1,923
641	8,226	-	-	295,848	2,523	564,219
3,288	108,332	86,691	-	-	125,000	2,457,724
<u>3,929</u>	<u>493,107</u>	<u>92,562</u>	<u>-</u>	<u>400,640</u>	<u>130,131</u>	<u>6,017,503</u>
-	-	-	-	-	-	630,188
-	-	-	-	-	-	359,838
3,929	-	65,580	-	-	-	625,244
<u>3,929</u>	<u>-</u>	<u>65,580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,615,270</u>
-	-	-	241,886	28,475,468	-	36,404,439
-	-	-	-	-	233,234	233,234
(3,929)	-	(65,580)	-	-	-	(625,244)
<u>(3,929)</u>	<u>-</u>	<u>(65,580)</u>	<u>241,886</u>	<u>28,475,468</u>	<u>233,234</u>	<u>36,012,429</u>
<u>\$ 3,929</u>	<u>\$ 493,107</u>	<u>\$ 92,562</u>	<u>\$ 241,886</u>	<u>\$ 28,876,108</u>	<u>\$ 363,365</u>	<u>\$ 43,645,202</u>

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Other Grants Fund	Education Foundation Fund	Maintenance of Classroom Facilities Fund	Student Managed Activities Fund	District Managed Student Activities Fund
Revenues:					
From local sources:					
Property taxes	\$ -	\$ -	\$ 671,733	\$ -	\$ -
Intergovernmental	-	-	552,635	-	1,431
Investment earnings	-	100,159	-	-	-
Tuition and fees	-	-	-	300	-
Extracurricular	-	-	-	51,658	350,429
Charges for services	-	-	-	-	-
Contributions and donations	39,257	-	-	-	-
Miscellaneous	25,463	-	-	-	14,496
Total revenues	<u>64,720</u>	<u>100,159</u>	<u>1,224,368</u>	<u>51,958</u>	<u>366,356</u>
Expenditures:					
Current:					
Instruction:					
Regular	33,288	-	-	-	-
Special	3,356	-	-	-	-
Vocational	-	-	-	-	-
Other	-	-	-	-	-
Support services:					
Pupil	19,312	-	-	-	-
Instructional staff	2,033	-	-	-	-
Administration	-	11,037	-	-	-
Fiscal	-	-	14,426	-	-
Operations and maintenance	-	-	1,061,160	-	-
Pupil transportation	-	-	-	-	-
Central	-	-	-	-	-
Operation of non-instructional services	-	2,500	-	-	-
Extracurricular activities	-	-	-	100,735	378,664
Capital outlay	-	-	-	-	-
Total expenditures	<u>57,989</u>	<u>13,537</u>	<u>1,075,586</u>	<u>100,735</u>	<u>378,664</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,731</u>	<u>86,622</u>	<u>148,782</u>	<u>(48,777)</u>	<u>(12,308)</u>
Other financing sources:					
Transfers in	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	6,731	86,622	148,782	(48,777)	(12,308)
Fund balances (deficit) at beginning of fiscal year, as previously reported	785,845	809,730	4,330,988	303,634	610,117
Adjustment - change in major and nonmajor fund	-	-	-	-	-
Fund balances (deficit) at beginning of fiscal year, as adjusted	785,845	809,730	4,330,988	303,634	610,117
Fund balances (deficits) at end of fiscal year	<u><u>\$ 792,576</u></u>	<u><u>\$ 896,352</u></u>	<u><u>\$ 4,479,770</u></u>	<u><u>\$ 254,857</u></u>	<u><u>\$ 597,809</u></u>

Auxiliary Services Fund	Public School Preschool Fund	Data Communication Fund	Miscellaneous State Grants Fund	<i>(Formerly major)</i> ESSER Fund	21st Century Grant Fund	Title VI-B Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,492,921	578,907	51,770	56,353	12,865,252	736,244	5,167,774
50,597	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,543,518</u>	<u>578,907</u>	<u>51,770</u>	<u>56,353</u>	<u>12,865,252</u>	<u>736,244</u>	<u>5,167,774</u>
-	-	-	-	-	-	-
-	568,013	-	-	137,400	574,165	1,628,308
-	-	-	-	-	-	-
-	-	-	-	1,555,080	-	-
-	17,376	-	-	770,828	-	1,168,442
-	179,569	-	-	456,285	-	1,718,153
-	-	-	-	-	68,631	260,957
-	10,693	-	-	-	-	-
-	-	-	-	3,457,299	-	-
-	29,300	-	-	1,429,598	-	-
-	-	51,765	-	-	-	-
1,873,475	-	-	-	-	-	274,791
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,873,475</u>	<u>804,951</u>	<u>51,765</u>	<u>-</u>	<u>7,806,490</u>	<u>642,796</u>	<u>5,050,651</u>
<u>(329,957)</u>	<u>(226,044)</u>	<u>5</u>	<u>56,353</u>	<u>5,058,762</u>	<u>93,448</u>	<u>117,123</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(329,957)	(226,044)	5	56,353	5,058,762	93,448	117,123
783,237	(38,438)	57,470	98,613	-	(95,999)	(173,269)
-	-	-	-	(5,121,307)	-	-
783,237	(38,438)	57,470	98,613	(5,121,307)	(95,999)	(173,269)
<u>\$ 453,280</u>	<u>\$ (264,482)</u>	<u>\$ 57,475</u>	<u>\$ 154,966</u>	<u>\$ (62,545)</u>	<u>\$ (2,551)</u>	<u>\$ (56,146)</u>

- - (Continued)

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Career Technical Education Fund	Title I School Improvement Stimulus A Fund	Stimulus School Improvement Subsidy G Fund	Dropout Prevention and Intervention Fund	Title I Fund
Revenues:					
From local sources:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	786,836	512,904	85,823	343,062	11,846,475
Investment earnings	-	-	-	-	-
Tuition and fees	-	-	-	-	-
Extracurricular	-	-	-	-	-
Charges for services	-	-	-	-	-
Contributions and donations	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>786,836</u>	<u>512,904</u>	<u>85,823</u>	<u>343,062</u>	<u>11,846,475</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	-	-	-	-
Special	-	-	-	42,925	3,492,056
Vocational	618,853	-	-	-	-
Other	-	112,033	-	11,095	1,244,721
Support services:					
Pupil	78,170	399,614	-	219,667	3,909,139
Instructional staff	43,015	676	-	46,549	432,929
Administration	-	-	-	-	399,070
Fiscal	-	-	-	1,002	26,768
Operations and maintenance	-	-	-	-	-
Pupil transportation	-	-	-	-	111,492
Central	-	-	-	-	-
Operation of non-instructional services	-	-	-	15,028	1,299,643
Extracurricular activities	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>740,038</u>	<u>512,323</u>	<u>-</u>	<u>336,266</u>	<u>10,915,818</u>
Excess (deficiency) of revenues over (under) expenditures	<u>46,798</u>	<u>581</u>	<u>85,823</u>	<u>6,796</u>	<u>930,657</u>
Other financing sources:					
Transfers in	-	-	-	-	-
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	46,798	581	85,823	6,796	930,657
Fund balances (deficit) at beginning of fiscal year, as previously reported	(46,798)	(581)	(85,823)	(22,072)	(930,657)
Adjustment - change in major and nonmajor funds	-	-	-	-	-
Fund balances (deficit) at beginning of fiscal year, as adjusted	(46,798)	(581)	(85,823)	(22,072)	(930,657)
Fund balances (deficits) at end of fiscal year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (15,276)</u></u>	<u><u>\$ -</u></u>

Title IV-A Grant Fund	EHA Preschool Grants for the Handicapped Fund	Title VI-R Classroom Size Reduction Fund	Miscellaneous Federal Grants Fund	Special Trust Fund	Food Service Fund	Welcome Stadium Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,928,120	58,987	1,317,723	-	-	11,604,114	-
-	-	-	-	-	1,132,574	-
-	-	-	-	-	-	-
-	-	-	-	-	-	399,390
-	-	-	-	-	823,024	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,928,120	58,987	1,317,723	-	-	13,559,712	399,390
-	-	-	-	-	-	-
-	62,916	-	-	-	-	-
-	-	-	-	-	-	-
363,291	-	-	-	-	-	-
969,926	-	-	11,748	1,649	-	-
-	-	734,828	-	-	-	-
4,460	-	-	5,871	-	-	-
9,707	-	-	-	-	-	-
-	-	-	1,540,536	-	-	235,784
160,329	-	320,213	-	-	-	-
-	-	-	-	-	-	-
77,750	-	78,130	-	-	11,118,083	-
-	-	-	-	-	-	358,570
-	-	-	-	-	-	239,927
1,585,463	62,916	1,133,171	1,558,155	1,649	11,118,083	834,281
342,657	(3,929)	184,552	(1,558,155)	(1,649)	2,441,629	(434,891)
-	-	-	-	-	-	100,000
-	-	-	-	-	-	100,000
342,657	(3,929)	184,552	(1,558,155)	(1,649)	2,441,629	(334,891)
(497,392)	-	(184,552)	1,492,575	243,535	26,033,839	568,125
-	-	-	-	-	-	-
(497,392)	-	(184,552)	1,492,575	243,535	26,033,839	568,125
\$ (154,735)	\$ (3,929)	\$ -	\$ (65,580)	\$ 241,886	\$ 28,475,468	\$ 233,234

DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Total Nonmajor Special Revenue Funds
Revenues:	
From local sources:	
Property taxes	\$ 671,733
Intergovernmental	49,987,331
Investment earnings	1,283,330
Tuition and fees	300
Extracurricular	801,477
Charges for services	823,024
Contributions and donations	39,257
Miscellaneous	39,959
Total revenues	<u>53,646,411</u>
Expenditures:	
Current:	
Instruction:	
Regular	33,288
Special	6,509,139
Vocational	618,853
Other	3,286,220
Support services:	
Pupil	7,565,871
Instructional staff	3,614,037
Administration	750,026
Fiscal	62,596
Operations and maintenance	6,294,779
Pupil transportation	2,050,932
Central	51,765
Operation of non-instructional services	14,739,400
Extracurricular activities	837,969
Capital outlay	<u>239,927</u>
Total expenditures	<u>46,654,802</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,991,609</u>
Other financing sources:	
Transfers in	<u>100,000</u>
Total other financing (uses)	<u>100,000</u>
Net change in fund balances	7,091,609
Fund balances (deficit) at beginning of fiscal year, as previously reported	34,042,127
Adjustment - change in major and nonmajor fund	(5,121,307)
Fund balances (deficit) at beginning of fiscal year, as adjusted	28,920,820
Fund balances (deficits) at end of fiscal year	<u><u>\$ 36,012,429</u></u>

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

INTERNAL SERVICE FUNDS

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

Warehouse Fund

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

Retrospective Workers' Comp Fund

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

Self-Insurance Fund

A fund used to account for the payment of all School District employees' health and dental insurance claims.

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

COMBINING STATEMENT OF FUND NET POSITION
ALL INTERNAL SERVICE FUNDS
JUNE 30, 2025

	Warehouse Fund	Self- Insurance Fund	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 2,076	\$ 20,375,215	\$ 20,377,291
Total assets	<u>\$ 2,076</u>	<u>\$ 20,375,215</u>	<u>\$ 20,377,291</u>
Liabilities:			
Current Liabilities			
Accounts payable	\$ -	\$ 153,826	\$ 153,826
Claims payable	-	3,187,742	3,187,742
Total current liabilities	<u>-</u>	<u>3,341,568</u>	<u>3,341,568</u>
Non-Current Liabilities			
Claims payable	-	185,258	185,258
Total Liabilities	<u>-</u>	<u>3,526,826</u>	<u>3,526,826</u>
Net Position:			
Unrestricted	<u>2,076</u>	<u>16,848,389</u>	<u>16,850,465</u>
Total net position	<u>\$ 2,076</u>	<u>\$ 16,848,389</u>	<u>\$ 16,850,465</u>

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

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Warehouse Fund	Retrospective Workers' Comp Fund	Self- Insurance Fund	Total
Operating revenues:				
Charge for services	\$ -	\$ -	\$ 28,350,691	\$ 28,350,691
Total operating revenues	<u>-</u>	<u>-</u>	<u>28,350,691</u>	<u>28,350,691</u>
Operating expenses				
Purchased Services	-	-	2,949,620	2,949,620
Materials and supplies	1,031	-	-	1,031
Claims	-	-	27,074,407	27,074,407
Total operating expenses	<u>1,031</u>	<u>-</u>	<u>30,024,027</u>	<u>30,025,058</u>
Operating loss	<u>(1,031)</u>	<u>-</u>	<u>(1,673,336)</u>	<u>(1,674,367)</u>
Non-operating revenues				
Transfers (out)		(13,730,887)		(13,730,887)
Total other financing sources	<u>-</u>	<u>(13,730,887)</u>	<u>-</u>	<u>(13,730,887)</u>
Net change in net position	(1,031)	(13,730,887)	(1,673,336)	(15,405,254)
Net position at beginning of year	3,107	13,730,887	18,521,725	32,255,719
Net position at end of year	<u><u>\$ 2,076</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 16,848,389</u></u>	<u><u>\$ 16,850,465</u></u>

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

COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Warehouse Fund	Retrospective Workers' Comp Fund	Self- Insurance Fund	Total
Cash flows from operating activities:				
Cash received from interfund services provided	\$ -	\$ 305,251	\$ 28,350,691	\$ 28,655,942
Cash payments to suppliers for goods	(1,031)	-	(2,802,608)	(2,803,639)
Cash payments for claims	-	-	(26,789,407)	(26,789,407)
Net cash provided by (used in) operating activities	(1,031)	305,251	(1,241,324)	(937,104)
Cash flows from noncapital financing activities:				
Cash used in transfers out	-	(13,730,887)	-	(13,730,887)
Net cash used in noncapital financing activities	-	(13,730,887)	-	(13,730,887)
Net decrease in cash and cash equivalents	(1,031)	(13,425,636)	(1,241,324)	(14,667,991)
Cash and cash equivalents at beginning of year	3,107	13,425,636	21,616,539	35,045,282
Cash and cash equivalents at end of year	<u>\$ 2,076</u>	<u>\$ -</u>	<u>\$ 20,375,215</u>	<u>\$ 20,377,291</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating loss	\$ (1,031)	\$ -	\$ (1,673,336)	\$ (1,674,367)
Changes in assets and liabilities:				
Prepayments	-	305,401	-	305,401
Accounts payable	-	(150)	147,012	146,862
Claims payable	-	-	285,000	285,000
Net cash provided by (used in) operating activities	<u>\$ (1,031)</u>	<u>\$ 305,251</u>	<u>\$ (1,241,324)</u>	<u>\$ (937,104)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BOND RETIREMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Property taxes	\$ 12,009,733	\$ 11,459,029	\$ (550,704)
Intergovernmental	1,474,898	2,587,078	1,112,180
	<u>13,484,631</u>	<u>14,046,107</u>	<u>561,476</u>
Expenditures:			
Current:			
Support services:			
Fiscal	425,601	235,378	190,223
Debt service:			
Principal retirement	9,364,649	9,290,000	74,649
Interest and fiscal charges	3,643,250	3,643,250	-
	<u>13,433,500</u>	<u>13,168,628</u>	<u>264,872</u>
Total expenditures	<u>13,433,500</u>	<u>13,168,628</u>	<u>264,872</u>
Net change in fund balance	51,131	877,479	826,348
Fund balance at beginning of year	20,917,669	20,917,669	-
Fund balance at end of year	<u>\$ 20,968,800</u>	<u>\$ 21,795,148</u>	<u>\$ 826,348</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures:			
Current:			
Support services:			
Facilities acquisition and construction	\$ 42,000,000	\$ -	\$ 42,000,000
Total expenditures	42,000,000	-	42,000,000
Excess of revenues over (under) expenditures	(42,000,000)	-	42,000,000
Other financing sources (uses):			
Transfer in	42,000,000	42,000,000	-
Total other financing sources	42,000,000	42,000,000	-
Net change in fund balance	-	42,000,000	42,000,000
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 42,000,000</u>	<u>\$ 42,000,000</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OTHER GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Contributions and donations	\$ 65,454	\$ 39,257	\$ (26,197)
Miscellaneous	882,037	26,493	(855,544)
Total revenues	<u>947,491</u>	<u>65,750</u>	<u>(881,741)</u>
Expenditures:			
Current:			
Instruction:			
Regular	296,754	69,107	227,647
Special	7,572	4,243	3,329
Other	2,654	-	2,654
Support services:			
Pupil	500,375	22,566	477,809
Instructional staff	38,778	2,033	36,745
Operation and maintenance	370	-	370
Central	1,237	-	1,237
Extracurricular activities	16,013	-	16,013
Miscellaneous use of funds	1,210	-	1,210
Total expenditures	<u>864,963</u>	<u>97,949</u>	<u>767,014</u>
Excess of revenues over (under) expenditures	<u>82,528</u>	<u>(32,199)</u>	<u>(114,727)</u>
Other financing sources (uses):			
Refund of prior year expenditures	<u>(1,030)</u>	<u>(1,030)</u>	<u>-</u>
Net change in fund balance	81,498	(33,229)	(114,727)
Fund balance at beginning of year	774,554	774,554	-
Prior year encumbrances appropriated	<u>21,928</u>	<u>21,928</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 877,980</u></u>	<u><u>\$ 763,253</u></u>	<u><u>\$ (114,727)</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MAINTENANCE OF CLASSROOM FACILITIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Property Taxes	\$ 686,179	\$ 711,979	\$ 25,800
Intergovernmental	539,938	552,635	12,697
Total revenues	1,226,117	1,264,614	38,497
Expenditures:			
Current:			
Support services:			
Fiscal	30,387	14,426	15,961
Operation and maintenance	4,065,750	2,115,371	1,950,379
Total expenditures	4,096,137	2,129,797	1,966,340
Net change in fund balance	(2,870,020)	(865,183)	2,004,837
Fund balance at beginning of year	3,047,631	3,047,631	-
Prior year encumbrances appropriated	1,325,638	1,325,638	-
Fund balance at end of year	<u>\$ 1,503,249</u>	<u>\$ 3,508,086</u>	<u>\$ 2,004,837</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STUDENT MANANGED ACTIVITIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Investment earnings	\$ 340	\$ -	\$ (340)
Tuition and fees	562	300	(262)
Extracurricular	162,840	65,864	(96,976)
Charges for services	23,057	675	(22,382)
Contributions and donations	13,201	-	(13,201)
Total revenues	200,000	66,839	(133,161)
Expenditures:			
Current:			
Instruction:			
Vocational	613	-	613
Extracurricular activities	360,715	110,097	250,618
Total expenditures	361,328	110,097	251,231
Excess of revenues over (under) expenditures	(161,328)	(43,258)	118,070
Other financing sources (uses):			
Refund of prior year's (receipts)	(14,881)	(14,881)	-
Total other financing sources (uses)	(14,881)	(14,881)	-
Net change in fund balance	(176,209)	(58,139)	118,070
Fund balance at beginning of year	288,473	288,473	-
Prior year encumbrances appropriated	22,090	22,090	-
Fund balance at end of year	\$ 134,354	\$ 252,424	\$ 118,070

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISTRICT MANAGED STUDENT ACTIVITIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ -	\$ 1,431	\$ 1,431
Extracurricular	1,000,000	309,892	(690,108)
Miscellaneous	-	14,496	14,496
	<u>-</u>	<u>14,496</u>	<u>14,496</u>
Total revenues	<u>1,000,000</u>	<u>325,819</u>	<u>(674,181)</u>
Expenditures:			
Current:			
Extracurricular activities	<u>941,397</u>	<u>430,768</u>	<u>510,629</u>
Total expenditures	<u>941,397</u>	<u>430,768</u>	<u>510,629</u>
Net change in fund balance	58,603	(104,949)	(163,552)
Fund balance at beginning of year	580,990	580,990	-
Prior year encumbrances appropriated	<u>38,051</u>	<u>38,051</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 677,644</u></u>	<u><u>\$ 514,092</u></u>	<u><u>\$ (163,552)</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILIARY SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 2,852,591	\$ 1,597,698	\$ (1,254,893)
Investment earnings	-	60,210	60,210
	<u>2,852,591</u>	<u>1,657,908</u>	<u>(1,194,683)</u>
Total revenues			
Expenditures:			
Current:			
Operation of non-instructional services	2,311,230	1,955,023	356,207
	<u>2,311,230</u>	<u>1,955,023</u>	<u>356,207</u>
Total expenditures			
	<u>2,311,230</u>	<u>1,955,023</u>	<u>356,207</u>
Excess of revenues over (under) expenditures	541,361	(297,115)	(838,476)
Other financing sources (uses):			
Operating transfers in	-	551,976	551,976
Operating transfers (out)	(551,976)	(551,976)	-
Refund of prior year's (receipts)	(104,777)	(104,777)	-
	<u>(656,753)</u>	<u>(104,777)</u>	<u>551,976</u>
Total other financing sources (uses)			
	<u>(656,753)</u>	<u>(104,777)</u>	<u>551,976</u>
Net change in fund balance	(115,392)	(401,892)	(286,500)
Fund balance at beginning of year	691,216	691,216	-
Prior year encumbrances appropriated	122,213	122,213	-
	<u>691,216</u>	<u>691,216</u>	<u>-</u>
Fund balance at end of year	<u>\$ 698,037</u>	<u>\$ 411,537</u>	<u>\$ (286,500)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL PRESCHOOL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 1,745,250	\$ 726,349	\$ (1,018,901)
Total revenues	<u>1,745,250</u>	<u>726,349</u>	<u>(1,018,901)</u>
Expenditures:			
Current:			
Instruction:			
Special	704,100	614,853	89,247
Support services:			
Pupil	45,322	20,501	24,821
Instructional staff	209,282	195,818	13,464
Fiscal	23,443	10,693	12,750
Pupil transportation	49,710	49,500	210
Total expenditures	<u>1,031,857</u>	<u>891,365</u>	<u>140,492</u>
Excess of revenues over (under) expenditures	<u>713,393</u>	<u>(165,016)</u>	<u>(878,409)</u>
Other financing sources (uses):			
Advances in	-	267,171	267,171
Advances (out)	<u>(252,143)</u>	<u>(252,143)</u>	<u>-</u>
Total other financing sources (uses)	<u>(252,143)</u>	<u>15,028</u>	<u>267,171</u>
Net change in fund balance	461,250	(149,988)	(611,238)
Fund balance at beginning of year	(165,821)	(165,821)	-
Prior year encumbrances appropriated	<u>165,821</u>	<u>165,821</u>	<u>-</u>
Fund balance at end of year	<u>\$ 461,250</u>	<u>\$ (149,988)</u>	<u>\$ (611,238)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DATA COMMUNICATIONS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 54,674	\$ 51,770	\$ (2,904)
Total revenues	<u>54,674</u>	<u>51,770</u>	<u>(2,904)</u>
Expenditures:			
Current:			
Instruction:			
Central	<u>51,770</u>	<u>51,765</u>	<u>5</u>
Total expenditures	<u>51,770</u>	<u>51,765</u>	<u>5</u>
Net change in fund balance	2,904	5	(2,899)
Fund balance at beginning of year	<u>57,470</u>	<u>57,470</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 60,374</u></u>	<u><u>\$ 57,475</u></u>	<u><u>\$ (2,899)</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS STATE GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 98,074	\$ 56,353	\$ (41,721)
Total revenues	<u>98,074</u>	<u>56,353</u>	<u>(41,721)</u>
Expenditures:			
Current:			
Support services:			
Operation and maintenance	<u>56,354</u>	<u>-</u>	<u>56,354</u>
Total expenditures	<u>56,354</u>	<u>-</u>	<u>56,354</u>
Net change in fund balance	41,720	56,353	14,633
Fund balance at beginning of year	<u>98,613</u>	<u>98,613</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 140,333</u></u>	<u><u>\$ 154,966</u></u>	<u><u>\$ 14,633</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ELEMENTARY AND SECONDARY SCHOOL EMERGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 41,615,773	\$ 17,176,104	\$ (24,439,669)
Total revenues	<u>41,615,773</u>	<u>17,176,104</u>	<u>(24,439,669)</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,063,379	1,000,532	62,847
Special	165,930	156,123	9,807
Other	3,610,971	3,397,559	213,412
Support services:			
Pupil	1,143,221	1,075,655	67,566
Instructional staff	499,842	470,301	29,541
Administration	2,245	2,112	133
Operation and maintenance	5,205,096	4,897,469	307,627
Pupil transportation	<u>1,913,755</u>	<u>1,800,650</u>	<u>113,105</u>
Total expenditures	<u>13,604,438</u>	<u>12,800,401</u>	<u>804,037</u>
Excess of revenues over (under) expenditures	<u>28,011,335</u>	<u>4,375,703</u>	<u>(23,635,632)</u>
Other financing sources (uses):			
Advances in	-	125,608	125,608
Advances (out)	<u>(4,501,311)</u>	<u>(4,501,311)</u>	<u>-</u>
Total other financing sources (uses)	<u>(4,501,311)</u>	<u>(4,375,703)</u>	<u>125,608</u>
Net change in fund balance	23,510,024	-	(23,510,024)
Fund balance at beginning of year	(9,114,274)	(9,114,274)	-
Prior year encumbrances appropriated	<u>9,114,274</u>	<u>9,114,274</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 23,510,024</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (23,510,024)</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
21ST CENTURY GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 1,697,500	\$ 746,811	\$ (950,689)
Total revenues	<u>1,697,500</u>	<u>746,811</u>	<u>(950,689)</u>
Expenditures:			
Current:			
Instruction:			
Special	721,760	721,760	-
Support services:			
Administration	125,333	71,312	54,021
Fiscal	9,530	-	9,530
Total expenditures	<u>856,623</u>	<u>793,072</u>	<u>63,551</u>
Excess of revenues over (under) expenditures	<u>840,877</u>	<u>(46,261)</u>	<u>(887,138)</u>
Other financing sources (uses):			
Advances in	-	99,085	99,085
Advances (out)	<u>(154,652)</u>	<u>(154,652)</u>	<u>-</u>
Total other financing sources (uses)	<u>(154,652)</u>	<u>(55,567)</u>	<u>99,085</u>
Net change in fund balance	686,225	(101,828)	(788,053)
Fund balance at beginning of year	(317,439)	(317,439)	-
Prior year encumbrances appropriated	<u>317,439</u>	<u>317,439</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 686,225</u></u>	<u><u>\$ (101,828)</u></u>	<u><u>\$ (788,053)</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI-B FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 9,110,853	\$ 5,056,733	\$ (4,054,120)
Total revenues	<u>9,110,853</u>	<u>5,056,733</u>	<u>(4,054,120)</u>
Expenditures:			
Current:			
Instruction:			
Special	2,037,798	1,635,568	402,230
Support services:			
Pupil	2,590,154	1,694,629	895,525
Instructional staff	2,755,497	1,691,663	1,063,834
Administration	465,937	253,974	211,963
Pupil transportation	360,000	257,808	102,192
Operation of non-instructional services	<u>516,486</u>	<u>274,727</u>	<u>241,759</u>
Total expenditures	<u>8,725,872</u>	<u>5,808,369</u>	<u>2,917,503</u>
Excess of revenues over (under) expenditures	<u>384,981</u>	<u>(751,636)</u>	<u>(1,136,617)</u>
Other financing sources (uses):			
Advances in	525,000	769,896	244,896
Advances (out)	<u>(888,392)</u>	<u>(888,392)</u>	<u>-</u>
Total other financing sources (uses)	<u>(363,392)</u>	<u>(118,496)</u>	<u>244,896</u>
Net change in fund balance	21,589	(870,132)	(891,721)
Fund balance at beginning of year	(202,747)	(202,747)	-
Prior year encumbrances appropriated	<u>202,747</u>	<u>202,747</u>	<u>-</u>
Fund balance at end of year	<u>\$ 21,589</u>	<u>\$ (870,132)</u>	<u>\$ (891,721)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAREER TECHNICAL EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 1,125,253	\$ 645,218	\$ (480,035)
Total revenues	<u>1,125,253</u>	<u>645,218</u>	<u>(480,035)</u>
Expenditures:			
Current:			
Instruction:			
Vocational	672,470	663,005	9,465
Support services:			
Pupil	114,318	82,120	32,198
Instructional staff	90,108	90,108	-
Administration	32,475	-	32,475
Total expenditures	<u>909,371</u>	<u>835,233</u>	<u>74,138</u>
Excess of revenues over (under) expenditures	<u>215,882</u>	<u>(190,015)</u>	<u>(405,897)</u>
Other financing sources (uses):			
Advances in	-	74,717	74,717
Advances (out)	<u>(67,362)</u>	<u>(67,362)</u>	<u>-</u>
Total other financing sources (uses)	<u>(67,362)</u>	<u>7,355</u>	<u>74,717</u>
Net change in fund balance	148,520	(182,660)	(331,180)
Fund balance at beginning of year	(215,782)	(215,782)	-
Prior year encumbrances appropriated	215,782	215,782	-
Fund balance at end of year	<u><u>\$ 148,520</u></u>	<u><u>\$ (182,660)</u></u>	<u><u>\$ (331,180)</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I SCHOOL IMPROVEMENTS STIMULUS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 1,625,252	\$ 959,206	\$ (666,046)
Total revenues	<u>1,625,252</u>	<u>959,206</u>	<u>(666,046)</u>
Expenditures:			
Current:			
Instruction:			
Special	210,262	-	210,262
Other	429,291	134,802	294,489
Support services:			
Pupil	465,092	335,595	129,497
Instructional staff	<u>300,676</u>	<u>200,843</u>	<u>99,833</u>
Total expenditures	<u>1,405,321</u>	<u>671,240</u>	<u>734,081</u>
Excess of revenues over (under) expenditures	<u>219,931</u>	<u>287,966</u>	<u>68,035</u>
Other financing sources (uses):			
Advances in	224,000	4,722	(219,278)
Advances (out)	<u>(362,603)</u>	<u>(572,865)</u>	<u>(210,262)</u>
Total other financing sources (uses)	<u>(138,603)</u>	<u>(568,143)</u>	<u>(429,540)</u>
Net change in fund balance	81,328	(280,177)	(361,505)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 81,328</u></u>	<u><u>\$ (280,177)</u></u>	<u><u>\$ (361,505)</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DROPOUT PREVENTION AND INTERVENTION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 1,489,070	\$ 321,963	\$ (1,167,107)
Total revenues	<u>1,489,070</u>	<u>321,963</u>	<u>(1,167,107)</u>
Expenditures:			
Current:			
Instruction:			
Special	126,757	78,293	48,464
Other	76,700	2,207	74,493
Support services:			
Pupil	307,326	224,051	83,275
Instructional staff	293,839	177,399	116,440
Board of education	103,693	16,635	87,058
Fiscal	1,002	1,002	-
Total expenditures	<u>909,317</u>	<u>499,587</u>	<u>409,730</u>
Excess of revenues over (under) expenditures	<u>579,753</u>	<u>(177,624)</u>	<u>(757,377)</u>
Other financing sources (uses):			
Advances in	-	57,357	57,357
Advances (out)	<u>(62,274)</u>	<u>(62,274)</u>	<u>-</u>
Total other financing sources (uses)	<u>(62,274)</u>	<u>(4,917)</u>	<u>57,357</u>
Net change in fund balance	517,479	(182,541)	(700,020)
Fund balance at beginning of year	(45,326)	(45,326)	-
Prior year encumbrances appropriated	<u>45,326</u>	<u>45,326</u>	<u>-</u>
Fund balance at end of year	<u>\$ 517,479</u>	<u>\$ (182,541)</u>	<u>\$ (700,020)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 19,623,663	\$ 10,123,577	\$ (9,500,086)
Total revenues	<u>19,623,663</u>	<u>10,123,577</u>	<u>(9,500,086)</u>
Expenditures:			
Current:			
Instruction:			
Special	5,114,154	3,710,984	1,403,170
Other	2,212,626	1,605,548	607,078
Support services:			
Pupil	5,312,971	3,855,252	1,457,719
Instructional staff	1,068,408	775,269	293,139
Administration	554,197	402,142	152,055
Fiscal	36,889	26,768	10,121
Pupil transportation	240,479	174,499	65,980
Operation of non-instructional services	<u>2,340,239</u>	<u>1,698,148</u>	<u>642,091</u>
Total expenditures	<u>16,879,964</u>	<u>12,248,610</u>	<u>4,631,354</u>
Excess of revenues over (under) expenditures	<u>2,743,699</u>	<u>(2,125,033)</u>	<u>(4,868,732)</u>
Other financing sources (uses):			
Advances in	735,000	2,074,463	1,339,463
Advances (out)	<u>(1,684,067)</u>	<u>(1,684,067)</u>	<u>-</u>
Total other financing sources (uses)	<u>(949,067)</u>	<u>390,396</u>	<u>1,339,463</u>
Net change in fund balance	1,794,632	(1,734,637)	(3,529,269)
Fund balance at beginning of year	(1,184,934)	(1,184,934)	-
Prior year encumbrances appropriated	<u>1,184,934</u>	<u>1,184,934</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 1,794,632</u></u>	<u><u>\$ (1,734,637)</u></u>	<u><u>\$ (3,529,269)</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE IV-A GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 3,291,463	\$ 1,787,819	\$ (1,503,644)
Total revenues	<u>3,291,463</u>	<u>1,787,819</u>	<u>(1,503,644)</u>
Expenditures:			
Current:			
Instruction:			
Other	501,510	387,350	114,160
Support services:			
Pupil	1,609,750	1,241,103	368,647
Instructional staff	43,167	85	43,082
Administration	17,360	4,460	12,900
Fiscal	36,946	9,707	27,239
Pupil transportation	393,588	393,378	210
Operation of non-instructional services	<u>142,989</u>	<u>81,333</u>	<u>61,656</u>
Total expenditures	<u>2,745,310</u>	<u>2,117,416</u>	<u>627,894</u>
Excess of revenues over (under) expenditures	<u>546,153</u>	<u>(329,597)</u>	<u>(875,750)</u>
Other financing sources (uses):			
Advances in	-	402,069	402,069
Advances (out)	<u>399,175</u>	<u>(399,175)</u>	<u>(798,350)</u>
Total other financing sources (uses)	<u>399,175</u>	<u>2,894</u>	<u>(396,281)</u>
Net change in fund balance	945,328	(326,703)	(1,272,031)
Fund balance at beginning of year	(812,003)	(812,003)	-
Prior year encumbrances appropriated	<u>812,003</u>	<u>812,003</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 945,328</u></u>	<u><u>\$ (326,703)</u></u>	<u><u>\$ (1,272,031)</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EHA PRESCHOOL GRANTS FOR THE HANDICAPPED FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 82,411	\$ 65,832	\$ (16,579)
Total revenues	<u>82,411</u>	<u>65,832</u>	<u>(16,579)</u>
Expenditures:			
Current:			
Instruction:			
Special	<u>63,055</u>	<u>62,275</u>	<u>780</u>
Total expenditures	<u>63,055</u>	<u>62,275</u>	<u>780</u>
Excess of revenues over (under) expenditures	<u>19,356</u>	<u>3,557</u>	<u>(15,799)</u>
Other financing sources (uses):			
Advances in	-	6,340	6,340
Advances (out)	<u>(9,897)</u>	<u>(9,897)</u>	<u>-</u>
Total other financing sources (uses)	<u>(9,897)</u>	<u>(3,557)</u>	<u>6,340</u>
Net change in fund balance	9,459	-	(9,459)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 9,459</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (9,459)</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI-R CLASSROOM SIZE REDUCTION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 2,711,728	\$ 971,036	\$ (1,740,692)
Total revenues	<u>2,711,728</u>	<u>971,036</u>	<u>(1,740,692)</u>
Expenditures:			
Current:			
Instruction:			
Instructional staff	2,372,710	1,316,833	1,055,877
Operation of non-instructional services	<u>183,038</u>	<u>98,327</u>	<u>84,711</u>
Total expenditures	<u>2,555,748</u>	<u>1,415,160</u>	<u>1,140,588</u>
Excess of revenues over (under) expenditures	<u>155,980</u>	<u>(444,124)</u>	<u>(600,104)</u>
Other financing sources (uses):			
Advances in	57,000	164,896	107,896
Advances (out)	<u>(146,419)</u>	<u>(146,419)</u>	<u>-</u>
Total other financing sources (uses)	<u>(89,419)</u>	<u>18,477</u>	<u>107,896</u>
Net change in fund balance	66,561	(425,647)	(492,208)
Fund balance at beginning of year	(220,979)	(220,979)	-
Prior year encumbrances appropriated	<u>220,979</u>	<u>220,979</u>	<u>-</u>
Fund balance at end of year	<u>\$ 66,561</u>	<u>\$ (425,647)</u>	<u>\$ (492,208)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS FEDERAL GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 253,969	\$ -	\$ (253,969)
Total revenues	<u>253,969</u>	<u>-</u>	<u>(253,969)</u>
Expenditures:			
Current:			
Support services:			
Pupil	23,085	11,748	11,337
Operation and maintenance	<u>1,631,615</u>	<u>1,617,345</u>	<u>14,270</u>
Total expenditures	<u>1,654,700</u>	<u>1,629,093</u>	<u>25,607</u>
Excess of revenues over (under) expenditures	<u>(1,400,731)</u>	<u>(1,629,093)</u>	<u>(228,362)</u>
Other financing sources (uses):			
Refund of prior year's (receipts)	<u>(16,549)</u>	<u>(16,549)</u>	<u>-</u>
Total other financing sources (uses)	<u>(16,549)</u>	<u>(16,549)</u>	<u>-</u>
Net change in fund balance	(1,417,280)	(1,645,642)	(228,362)
Fund balance at beginning of year	41,009	41,009	-
Prior year encumbrances appropriated	<u>1,631,615</u>	<u>1,631,615</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 255,344</u></u>	<u><u>\$ 26,982</u></u>	<u><u>\$ (228,362)</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Contributions and donations	\$ 60,000	\$ -	\$ (60,000)
Total revenues	<u>60,000</u>	<u>-</u>	<u>(60,000)</u>
Expenditures:			
Current:			
Support services:			
Pupil	235,795	1,649	234,146
Instructional staff	<u>7,740</u>	<u>-</u>	<u>7,740</u>
Total expenditures	<u>243,535</u>	<u>1,649</u>	<u>241,886</u>
Net change in fund balance	(183,535)	(1,649)	181,886
Fund balance at beginning of year	243,445	243,445	-
Prior year encumbrances appropriated	<u>90</u>	<u>90</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 60,000</u></u>	<u><u>\$ 241,886</u></u>	<u><u>\$ 181,886</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 11,217,151	\$ 10,623,883	\$ (593,268)
Investment earnings	471,806	1,319,766	847,960
Extracurricular	3,209	8	(3,201)
Charges for services	<u>709,489</u>	<u>826,303</u>	<u>116,814</u>
Total revenues	<u>12,401,655</u>	<u>12,769,960</u>	<u>368,305</u>
Expenditures:			
Current:			
Food service operations	17,554,408	13,850,508	3,703,900
Facilities acquisition and construction	<u>5,200,000</u>	<u>5,109,940</u>	<u>90,060</u>
Total expenditures	<u>22,754,408</u>	<u>18,960,448</u>	<u>3,793,960</u>
Net change in fund balance	(10,352,753)	(6,190,488)	4,162,265
Fund balance at beginning of year	23,758,464	23,758,464	-
Prior year encumbrances appropriated	<u>2,145,874</u>	<u>2,145,874</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 15,551,585</u></u>	<u><u>\$ 19,713,850</u></u>	<u><u>\$ 4,162,265</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WELCOME STADIUM FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Extracurricular	\$ 1,710,874	\$ 399,390	\$ (1,311,484)
Total revenues	<u>1,710,874</u>	<u>399,390</u>	<u>(1,311,484)</u>
Expenditures:			
Current:			
Operation and maintenance	129,849	255,236	(125,387)
Extracurricular activities	747,545	546,705	200,840
Facilities acquisition and construction	<u>398,136</u>	<u>330,657</u>	<u>67,479</u>
Total expenditures	<u>1,275,530</u>	<u>1,132,598</u>	<u>142,932</u>
Excess of revenues over (under) expenditures	<u>435,344</u>	<u>(733,208)</u>	<u>(1,168,552)</u>
Other financing sources (uses):			
Operating transfers in	100,000	264,373	164,373
Operating transfers (out)	<u>(164,373)</u>	<u>(164,373)</u>	<u>-</u>
Total other financing sources (uses)	<u>(64,373)</u>	<u>100,000</u>	<u>164,373</u>
Net change in fund balance	370,971	(633,208)	(1,004,179)
Fund balance at beginning of year	189,654	189,654	-
Prior year encumbrances appropriated	<u>602,011</u>	<u>602,011</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 1,162,636</u></u>	<u><u>\$ 158,457</u></u>	<u><u>\$ (1,004,179)</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNIFORM SCHOOL SUPPLIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Extracurricular	\$ 26,000	\$ -	\$ (26,000)
Total revenues	<u>26,000</u>	<u>-</u>	<u>(26,000)</u>
Expenditures:			
Current:			
Instruction:			
Regular	<u>15,463</u>	<u>20</u>	<u>15,443</u>
Total expenditures	<u>15,463</u>	<u>20</u>	<u>15,443</u>
Net change in fund balance	10,537	(20)	(10,557)
Fund balance at beginning of year	15,389	15,389	-
Prior year encumbrances appropriated	<u>74</u>	<u>74</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 26,000</u></u>	<u><u>\$ 15,443</u></u>	<u><u>\$ (10,557)</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OTHER GRANT ROTARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Extracurricular	\$ 110,000	\$ 4,980	\$ (105,020)
Total revenues	<u>110,000</u>	<u>4,980</u>	<u>(105,020)</u>
Expenditures:			
Current:			
Instruction:			
Regular	<u>32,045</u>	<u>-</u>	<u>32,045</u>
Total expenditures	<u>32,045</u>	<u>-</u>	<u>32,045</u>
Net change in fund balance	77,955	4,980	(72,975)
Fund balance at beginning of year	<u>101,563</u>	<u>101,563</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 179,518</u></u>	<u><u>\$ 106,543</u></u>	<u><u>\$ (72,975)</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Tuition and fees	\$ -	\$ 50	\$ 50
Extracurricular	655,663	165,877	(489,786)
Charges for services	1,233	-	(1,233)
Contributions and donations	143,105	-	(143,105)
Miscellaneous	-	844	844
Total revenues	800,001	166,771	(633,230)
Expenditures:			
Current:			
Instruction:			
Regular	624,615	262,106	362,509
Special	20,906	5,561	15,345
Support services:			
Pupil	2,724	2,258	466
Operation and maintenance	150	-	150
Central	730	-	730
Extracurricular activities	19,207	7,505	11,702
Total expenditures	668,332	277,430	390,902
Net change in fund balance	131,669	(110,659)	(242,328)
Fund balance at beginning of year	500,252	500,252	-
Prior year encumbrances appropriated	18,780	18,780	-
Fund balance at end of year	<u><u>\$ 650,701</u></u>	<u><u>\$ 408,373</u></u>	<u><u>\$ (242,328)</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Property taxes	\$ 649,177	\$ 711,979	\$ 62,802
Intergovernmental	76,941	73,586	(3,355)
	<u>726,118</u>	<u>785,565</u>	<u>59,447</u>
Total revenues			
Expenditures:			
Current:			
Instruction:			
Fiscal	38,400	14,507	23,893
Operation and maintenance	17,204,324	16,424,750	779,574
Debt service:			
Principal retirement	1,000,000	1,000,000	-
Interest and fiscal charges	544,794	544,794	-
	<u>18,787,518</u>	<u>17,984,051</u>	<u>803,467</u>
Total expenditures			
Excess of revenues over (under) expenditures	<u>(18,061,400)</u>	<u>(17,198,486)</u>	<u>862,914</u>
Other financing sources (uses):			
Sale of assets	-	117,003	117,003
Operating transfers in	1,388,872	1,388,872	-
	<u>1,388,872</u>	<u>1,505,875</u>	<u>117,003</u>
Total other financing sources (uses)			
Net change in fund balance	(16,672,528)	(15,692,611)	979,917
Fund balance at beginning of year	8,217,017	8,217,017	-
Prior year encumbrances appropriated	<u>9,348,646</u>	<u>9,348,646</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 893,135</u></u>	<u><u>\$ 1,873,052</u></u>	<u><u>\$ 979,917</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WAREHOUSE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Operating revenues:			
Charges for services	\$ 3,108	\$ -	\$ (3,108)
Total revenues	<u>3,108</u>	<u>-</u>	<u>(3,108)</u>
Operating expenses:			
Materials and supplies	<u>3,108</u>	<u>2,000</u>	<u>1,108</u>
Total operating expenses	<u>3,108</u>	<u>2,000</u>	<u>1,108</u>
Net change in fund equity	-	(2,000)	(2,000)
Fund equity at beginning of year	<u>3,107</u>	<u>3,107</u>	<u>-</u>
Fund equity at end of year	<u><u>\$ 3,107</u></u>	<u><u>\$ 1,107</u></u>	<u><u>\$ (2,000)</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RETROSPECTIVE WORKERS' COMPENSATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Operating revenues:			
Charges for services	\$ 4,000,000	\$ 551,110	\$ (3,448,890)
Total operating revenues	<u>4,000,000</u>	<u>551,110</u>	<u>(3,448,890)</u>
Operating expenses:			
Purchased services	330,394	15,125	315,269
Claims	<u>3,690,611</u>	<u>759,465</u>	<u>2,931,146</u>
Total operating expenses	<u>4,021,005</u>	<u>774,590</u>	<u>3,246,415</u>
Deficiency of revenues under expenditures	<u>(21,005)</u>	<u>(223,480)</u>	<u>(202,475)</u>
Other financing uses:			
Operating transfers out	(13,404,632)	(13,202,157)	202,475
Total other financing uses	<u>(13,404,632)</u>	<u>(13,202,157)</u>	<u>202,475</u>
Net change in fund equity	(13,425,637)	(13,425,637)	-
Fund equity at beginning of year	13,404,632	13,404,632	-
Prior year encumbrances appropriated	<u>21,005</u>	<u>21,005</u>	<u>-</u>
Fund equity at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SELF-INSURANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Operating revenues:			
Charge for services	\$ 30,000,000	\$ 28,350,691	\$ (1,649,309)
Total revenues	<u>30,000,000</u>	<u>28,350,691</u>	<u>(1,649,309)</u>
Operating expenses:			
Purchased services	-	2,802,608	(2,802,608)
Claims	<u>30,000,000</u>	<u>26,976,822</u>	<u>3,023,178</u>
Total operating expenses	<u>30,000,000</u>	<u>29,779,430</u>	<u>220,570</u>
Net change in fund equity	-	(1,428,739)	(1,428,739)
Fund equity at beginning of year	21,498,670	21,498,670	-
Prior year encumbrances appropriated	<u>117,870</u>	<u>117,870</u>	<u>-</u>
Fund equity at end of year	<u><u>\$ 21,616,540</u></u>	<u><u>\$ 20,187,801</u></u>	<u><u>\$ (1,428,739)</u></u>

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

Statistical Section

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

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial position has changed over time.

Revenue Capacity

These schedules contain information to help the reader understand and assess the factors affecting the District's ability to generate its most significant local revenue source(s), the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Economic and Demographic Information

These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the financial statements for the relevant year.

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

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2016 (1)</u>	<u>2017 (2)</u>	<u>2018</u>	<u>2019</u>
Net investment in capital assets	\$ 224,381,505	\$ 236,749,978	\$ 242,808,766	\$ 247,352,480
Restricted	70,332,894	56,255,643	61,750,012	63,958,020
Unrestricted (deficit)	<u>(162,246,002)</u>	<u>(195,031,192)</u>	<u>(92,110,185)</u>	<u>(44,673,181)</u>
Total net position	<u><u>\$ 132,468,397</u></u>	<u><u>\$ 97,974,429</u></u>	<u><u>\$ 212,448,593</u></u>	<u><u>\$ 266,637,319</u></u>

Notes:

- (1) Restated for capital asset appraisal
- (2) The School District implemented GASB 75 in fiscal year 2018. The effects of GASB 75 are first reflected in 2017.
- (3) The School District implemented GASB 84 in fiscal year 2021. The effects of GASB 84 are first reflected in 2020.
- (4) Restated for change in grants receivable calculation.
- (5) Amounts for 2025 are presented in accordance with GASB Statement No. 101, while amounts for 2024 are presented in accordance with previous guidance. See Note 3 to the basic financial statements for detail.

2020 (3)	2021 (4)	2022	2023	2024	2025 (5)
\$ 253,332,900	\$ 264,595,248	\$ 273,481,973	\$ 307,948,851	\$ 341,434,942	\$ 357,091,818
73,977,283	68,434,042	70,729,085	73,169,438	93,208,612	85,566,556
(52,220,468)	(39,058,758)	28,712,570	8,854,854	917,741	(20,427,142)
<u>\$ 275,089,715</u>	<u>\$ 293,970,532</u>	<u>\$ 372,923,628</u>	<u>\$ 389,973,143</u>	<u>\$ 435,561,295</u>	<u>\$ 422,231,232</u>

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

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2016	2017	2018	2019
Expenses				
Instruction	\$ 158,603,649	\$ 181,469,724	\$ 117,995,791	\$ 159,511,548
Pupil	11,857,314	13,284,123	6,008,790	11,562,412
Instructional staff	7,505,008	6,487,960	2,955,426	8,385,443
Board of education	1,092,545	861,197	1,107,324	970,972
Administration	11,170,471	13,103,567	5,109,631	10,687,482
Fiscal	4,391,805	3,874,989	3,779,848	6,074,777
Business	1,931,662	2,161,019	1,618,272	1,686,154
Operations and maintenance	17,809,132	19,573,799	17,113,013	21,494,714
Pupil transportation	14,481,316	14,329,075	12,351,449	14,261,398
Central	10,860,544	9,689,687	8,137,747	9,019,294
Operation of non-instructional services	10,336,925	10,440,099	10,076,820	10,325,378
Extracurricular activities	1,887,419	2,356,238	1,814,314	2,253,059
Interest	7,263,128	6,331,021	6,256,805	5,753,643
Unallocated depreciation	10,183,860	8,409,649	8,408,373	8,380,540
<i>Total expenses</i>	<u>269,374,778</u>	<u>292,372,147</u>	<u>202,733,603</u>	<u>270,366,814</u>
Program revenues				
Charges for services:				
Regular	1,023,739	2,033,105	2,134,411	1,824,915
Special	-	357	275	1,588
Vocational	-	-	-	-
Pupil	1,056	-	-	-
Instructional Staff	1,205	502	852	-
Administration	-	-	-	-
Fiscal	-	-	-	-
Operations and maintenance	508,289	507,482	304,682	337,864
Pupil Transportation	-	-	-	-
Operation of non-instructional services	1,075,285	1,012,929	785,329	761,054
Extracurricular activities	511,825	516,446	481,499	384,859
Total charges for services and sales	<u>3,121,399</u>	<u>4,070,821</u>	<u>3,707,048</u>	<u>3,310,280</u>
Operating grants and contributions:	<u>54,697,539</u>	<u>57,363,082</u>	<u>60,479,515</u>	<u>56,357,411</u>
<i>Total program revenues</i>	<u>57,818,938</u>	<u>61,433,903</u>	<u>64,186,563</u>	<u>59,667,691</u>
<i>Net expense</i>	<u>(211,555,840)</u>	<u>(230,938,244)</u>	<u>(138,547,040)</u>	<u>(210,699,123)</u>

	2020		2021		2022		2023		2024		2025
\$	190,160,748	\$	193,222,442	\$	126,556,207	\$	123,286,682	\$	140,666,342	\$	138,441,029
	13,452,134		16,413,588		17,019,202		19,179,741		21,900,463		24,418,600
	10,571,867		10,133,806		10,004,876		11,415,286		10,539,980		8,009,851
	746,637		711,411		917,982		934,408		1,349,532		1,476,723
	14,932,112		14,890,899		14,388,142		15,956,299		17,256,349		17,579,142
	4,978,398		7,017,951		6,259,953		5,319,180		5,190,567		5,352,555
	1,822,368		1,773,340		1,834,967		1,809,635		1,857,107		1,710,603
	22,371,939		24,698,924		23,839,985		37,119,935		16,656,026		24,570,164
	17,866,352		13,429,598		18,117,166		16,552,109		26,669,245		25,319,120
	9,853,449		14,840,825		(895,811)		13,078,163		14,968,050		14,263,060
	10,646,506		10,252,722		12,527,206		12,999,519		14,960,319		14,337,250
	2,715,427		2,038,091		2,989,529		3,389,194		6,110,681		6,973,599
	5,234,901		5,109,909		4,744,749		3,746,318		4,547,172		4,095,695
	13,544,291		4,882,378		5,579,085		4,877,020		4,884,099		4,884,942
	318,897,129		319,415,884		243,883,238		269,663,489		287,555,932		291,432,333
	1,682,015		3,340,453		2,137,288		2,704,280		3,092,589		302,353
	3,347		187		-		25,172		-		2,303,014
	-		-		-		14,001		-		-
	16,578		-		-		12,374		27,499		-
	318		-		-		-		-		-
	98		-		-		-		-		-
	-		-		205,632		-		-		-
	253,271		169,764		135,630		53,839		82,784		290,685
	-		-		-		-		-		80,329
	636,574		354,934		594,317		791,248		541,671		823,024
	367,924		207,486		297,977		622,869		897,263		657,832
	2,960,125		4,072,824		3,370,844		4,223,783		4,641,806		4,457,237
	60,811,552		60,530,819		64,383,100		109,228,009		94,443,918		67,916,044
	63,771,677		64,603,643		67,753,944		113,451,792		99,085,724		72,373,281
	(255,125,452)		(254,812,241)		(176,129,294)		(156,211,697)		(188,470,208)		(219,059,052)
											- - (Continued)

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

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Net expense</i>	\$ (211,555,840)	\$ (230,938,244)	\$ (138,547,040)	\$ (210,699,123)
General revenues				
Property taxes levied for:				
General purposes	55,650,757	61,270,639	58,433,293	57,372,311
Debt service	14,871,710	18,923,300	12,299,681	12,982,664
Capital projects	554,973	613,974	593,273	565,081
Other purposes	554,973	613,974	593,273	565,028
Grants and entitlements not restricted to specific programs	164,370,431	175,258,952	174,286,715	186,095,332
Gifts and donations	-	-	-	-
Investment earnings	582,471	432,947	901,965	4,203,636
Gain on sale of capital assets	-	472,798	589	227,081
Miscellaneous	2,291,425	2,690,412	5,912,415	2,876,716
<i>Total general revenues and special item</i>	<u>238,876,740</u>	<u>260,276,996</u>	<u>253,021,204</u>	<u>264,887,849</u>
<i>Change in net position</i>	<u>\$ 27,320,900</u>	<u>\$ 29,338,752</u>	<u>\$ 114,474,164</u>	<u>\$ 54,188,726</u>

Note: GASB 75 was implemented in fiscal year 2018. Effects of the implementation can not fully be shown for prior years.

Note: GASB 84 was implemented in fiscal year 2021. Effects of the implementation can not fully be shown for prior years.

2020	2021	2022	2023	2024	2025
\$ (255,125,452)	\$ (254,812,241)	\$ (176,129,294)	\$ (156,211,697)	\$ (188,470,208)	\$ (219,059,052)
60,046,760	66,808,637	97,897,608	40,856,781	70,525,455	71,762,054
13,532,996	16,659,314	25,737,997	9,324,878	10,541,966	10,380,861
588,901	648,301	1,017,818	347,550	677,554	677,310
588,900	648,301	1,017,818	347,550	677,468	677,410
182,392,541	184,907,101	132,061,328	115,274,751	137,005,759	126,588,228
1,500	3,500	211,350	204,101	-	-
2,975,172	666,267	(4,402,213)	4,022,284	11,312,255	10,036,971
-	245,100	-	-	-	-
1,532,227	3,106,537	1,540,684	2,883,317	3,317,903	2,118,637
261,658,997	273,693,058	255,082,390	173,261,212	234,058,360	222,241,471
<u>\$ 6,533,545</u>	<u>\$ 18,880,817</u>	<u>\$ 78,953,096</u>	<u>\$ 17,049,515</u>	<u>\$ 45,588,152</u>	<u>\$ 3,182,419</u>

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

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General fund				
Nonspendable	\$ 255,012	\$ 254,742	\$ 134,406	\$ 296,029
Committed	-	1,088,530	895,329	-
Assigned	4,850,790	2,540,934	27,482,522	33,001,142
Unassigned	<u>17,769,798</u>	<u>48,940,086</u>	<u>41,271,754</u>	<u>71,585,487</u>
<i>Total general fund</i>	<u>22,875,600</u>	<u>52,824,292</u>	<u>69,784,011</u>	<u>104,882,658</u>
All other governmental funds				
Restricted	49,809,881	43,138,880	46,533,529	48,360,853
Committed	-	-	-	263,253
Unassigned (deficit)	<u>(50,071)</u>	<u>(268,781)</u>	<u>(753,772)</u>	<u>(146,569)</u>
Total all other governmental funds	<u>49,759,810</u>	<u>42,870,099</u>	<u>45,779,757</u>	<u>48,477,537</u>
<i>Total governmental funds</i>	<u><u>\$ 72,635,410</u></u>	<u><u>\$ 95,694,391</u></u>	<u><u>\$ 115,563,768</u></u>	<u><u>\$ 153,360,195</u></u>

(1) GASB 84 was implemented in fiscal year 2021. Effects of the implementation can not fully be shown for prior years.

<u>2020 (1)</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 319,180	\$ 367,700	\$ 370,380	\$ 395,499	\$ 395,489	\$ 421,809
-	-	-	-	-	-
41,420,189	49,087,901	47,942,216	49,910,472	44,145,278	65,257,037
59,287,724	68,527,436	81,913,324	84,444,749	95,296,322	36,582,188
<u>101,027,093</u>	<u>117,983,037</u>	<u>130,225,920</u>	<u>134,750,720</u>	<u>139,837,089</u>	<u>102,261,034</u>
50,782,599	57,883,040	54,151,985	60,691,637	74,059,376	67,345,822
303,301	249,754	12,306,141	7,506,172	568,125	42,233,234
(125,865)	(8,636,124)	(4,721,393)	(9,391,980)	(7,196,888)	(625,244)
<u>50,960,035</u>	<u>49,496,670</u>	<u>61,736,733</u>	<u>58,805,829</u>	<u>67,430,613</u>	<u>108,953,812</u>
<u>\$ 151,987,128</u>	<u>\$ 167,479,707</u>	<u>\$ 191,962,653</u>	<u>\$ 193,556,549</u>	<u>\$ 207,267,702</u>	<u>\$ 211,214,846</u>

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

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2016	2017	2018	2019
Revenues				
Property taxes	\$ 70,689,022	\$ 76,922,252	\$ 77,780,850	\$ 75,262,342
Intergovernmental	217,267,692	234,958,262	236,206,709	241,794,889
Investment earnings	788,163	438,879	908,506	4,225,778
Tuition and fees	856,717	1,881,080	2,019,037	1,685,500
All other revenues	4,558,182	4,880,403	7,608,976	4,542,696
<i>Total revenues</i>	<u>294,159,776</u>	<u>319,080,876</u>	<u>324,524,078</u>	<u>327,511,205</u>
Expenditures				
Current:				
Instruction:	161,718,118	179,261,613	177,555,142	177,517,942
Support services:				
Pupils	12,934,081	13,635,860	13,980,580	14,081,288
Instructional staff	8,538,368	7,044,938	8,577,871	9,962,399
Board of education	1,096,913	1,046,439	1,063,627	915,589
Administration	12,370,757	13,339,243	13,331,130	13,890,294
Fiscal and business	6,422,319	5,819,090	5,989,734	7,909,352
Operations and maintenance	18,897,455	19,398,218	20,043,234	22,753,711
Pupil transportation	13,914,950	13,283,292	22,043,859	14,823,334
Central	10,610,970	9,578,828	9,070,396	9,321,009
Operation of non-instructional services	11,154,107	11,073,084	11,165,127	10,703,444
Extracurricular activities	1,914,757	2,153,672	2,248,639	2,314,747
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	9,945,000	22,940,000	11,910,703	12,502,459
Interest and fiscal charges	8,525,672	8,184,050	7,879,983	7,371,202
Advance refunding escrow	-	-	-	-
<i>Total expenditures</i>	<u>278,043,467</u>	<u>306,758,327</u>	<u>304,860,025</u>	<u>304,066,770</u>
<i>Excess of revenues over (under) expenditures</i>	<u>16,116,309</u>	<u>12,322,549</u>	<u>19,664,053</u>	<u>23,444,435</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	1,005,677	205,324	1,351,992
Lease transaction	-	-	-	-
Proceeds from sale of notes	-	9,730,755	-	-
Certificates of participation issued	-	-	-	-
Premium on certificate of participation	-	-	-	-
Transfers in	373,348	25,801	200,000	13,000,000
Transfers out	(373,348)	(25,801)	(200,000)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>10,736,432</u>	<u>205,324</u>	<u>14,351,992</u>
<i>Net change in fund balances</i>	<u>\$ 16,116,309</u>	<u>\$ 23,058,981</u>	<u>\$ 19,869,377</u>	<u>\$ 37,796,427</u>
Debt service as a percentage of noncapital expenditures	6.65%	10.16%	6.73%	6.59%

2020	2021	2022	2023	2024	2025
\$ 78,415,453	\$ 84,429,287	\$ 97,490,924	\$ 82,912,875	\$ 82,742,079	\$ 82,953,545
234,739,646	244,289,449	208,079,692	215,191,867	233,044,761	200,624,881
2,992,460	670,030	(4,397,659)	4,022,284	11,312,255	10,895,165
1,560,632	3,267,997	2,031,343	2,478,691	2,925,563	2,469,357
2,985,930	4,043,475	3,167,190	9,155,064	7,898,731	4,171,237
320,694,121	336,700,238	306,371,490	313,760,781	337,923,389	301,114,185
191,087,041	196,973,046	131,228,430	126,036,239	139,921,638	138,913,141
13,565,993	15,956,267	18,009,590	19,867,176	21,840,333	22,877,531
10,328,392	9,510,339	10,569,717	11,639,709	10,280,263	8,685,892
690,097	657,235	888,047	942,543	1,340,640	1,482,844
14,931,106	14,376,230	15,407,727	16,647,102	16,767,485	18,099,751
6,671,113	8,715,517	8,297,613	7,422,718	7,086,522	7,112,688
26,073,237	30,172,503	32,103,844	45,421,980	44,917,280	40,198,972
18,180,570	11,750,146	17,430,512	16,401,082	25,336,973	24,226,674
9,697,701	10,174,563	11,199,951	13,420,430	14,859,332	14,519,243
10,488,288	9,930,347	12,803,921	13,518,703	14,655,765	14,739,400
2,523,241	1,965,333	3,046,008	3,785,571	5,214,816	5,323,821
-	1,142,735	730,826	16,969,940	6,926,808	863,808
13,014,665	14,557,331	14,825,467	14,834,082	10,381,048	10,290,000
6,859,483	6,880,598	6,126,665	5,259,610	4,683,333	4,188,044
-	-	10,034,242	-	-	-
324,110,927	332,762,190	292,702,560	312,166,885	324,212,236	311,521,809
(3,416,806)	3,938,048	13,668,930	1,593,896	13,711,153	(10,407,624)
124,888	312,863	-	-	-	-
-	-	-	-	-	623,881
-	-	-	-	-	-
-	10,000,000	10,000,000	-	-	-
-	1,241,668	814,016	-	-	-
-	352,923	796,100	17,769,768	14,142,619	57,219,759
-	(352,923)	(796,100)	(17,769,768)	(14,142,619)	(43,488,872)
124,888	11,554,531	10,814,016	-	-	14,354,768
\$ (3,291,918)	\$ 15,492,579	\$ 24,482,946	\$ 1,593,896	\$ 13,711,153	\$ 3,947,144
6.29%	6.60%	7.37%	7.03%	5.18%	4.94%

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

*ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN COLLECTION YEARS*

Collection Year	Real Property		Tangible Personal Property	
			Public Utility	
	Assessed Value Residential/ Agricultural	Estimated Actual Value	Assessed Value	Estimated Actual Value
2025	\$ 1,847,395,570	\$ 5,278,273,057	\$ 187,531,810	\$ 535,805,171
2024	1,858,302,200	5,309,434,857	165,753,950	425,686,281
2023	1,493,752,690	4,267,864,829	145,150,710	372,773,414
2022	1,472,760,300	4,207,886,571	135,570,280	348,169,128
2021	1,462,515,230	4,178,614,943	127,306,200	326,945,468
2020	1,329,920,930	3,799,774,086	123,964,650	318,363,760
2019	1,315,713,980	3,759,182,800	114,911,280	295,113,060
2018	1,315,728,570	3,759,224,486	107,217,990	275,355,293
2017	1,320,040,540	3,771,544,400	103,127,550	264,850,299
2016	1,322,350,390	3,778,143,971	96,310,250	247,342,233

Notes:

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property.

Source: Montgomery County Auditor's Office; Ohio Department of Taxation

		Total		Total Direct Tax Rate (Per \$1,000 of Assessed Value)
Assessed Value		Estimated Actual Value	Ratio	
\$ 2,034,927,380		\$ 5,814,078,229	34.4%	74.56
2,024,056,150		5,735,121,138	35.3%	74.92
1,638,903,400		4,640,638,243	35.3%	80.55
1,608,330,580		4,556,055,699	35.3%	80.05
1,589,821,430		4,505,560,411	35.3%	80.05
1,453,885,580		4,118,137,846	35.3%	80.05
1,430,625,260		4,054,295,860	35.3%	80.05
1,422,946,560		4,034,579,779	35.3%	80.05
1,423,168,090		4,036,394,699	35.3%	83.35
1,418,660,640		4,025,486,204	35.2%	81.35

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

REAL PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUE)
LAST TEN COLLECTION YEARS

Tax Year/ Collection Year	School District Millage				Total
	Operating	Debt Service	Permanent Improvement	Maintenance and Upkeep	
2024/2025	67.55	6.01	0.50	0.50	74.56
2023/2024	67.55	6.37	0.50	0.50	74.92
2022/2023	67.55	12.00	0.50	0.50	80.55
2021/2022	67.55	11.50	0.50	0.50	80.05
2020/2021	67.55	11.50	0.50	0.50	80.05
2019/2020	67.55	11.50	0.50	0.50	80.05
2018/2019	67.55	11.50	0.50	0.50	80.05
2017/2018	67.55	11.50	0.50	0.50	80.05
2016/2017	67.55	14.80	0.50	0.50	83.35
2015/2016	67.55	12.80	0.50	0.50	81.35

Source: Montgomery County Auditor's Office; 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 billed in that year.

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

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

REAL PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUE)
LAST TEN COLLECTION YEARS

Tax Year/ Collection Year	Overlapping Millage (a)						
	Montgomery County	City of Dayton	Dayton Montgomery County Library	City of Trotwood	City of Riverside	Harrison Township	Jefferson Township
2024/2025	24.14	10.00	3.72	22.80	11.34	47.97	31.69
2023/2024	23.14	10.00	2.78	22.80	11.34	42.97	31.69
2022/2023	23.14	10.00	3.04	22.80	11.34	42.97	31.69
2021/2022	23.14	10.00	3.09	22.80	11.34	42.97	31.69
2020/2021	23.14	10.00	3.15	22.80	11.34	42.97	31.69
2019/2020	23.14	10.00	3.15	23.80	11.34	42.97	31.69
2018/2019	23.14	10.00	3.31	23.80	11.34	42.97	26.19
2017/2018	22.94	10.00	3.31	23.80	11.34	42.97	26.19
2016/2017	22.94	10.00	3.31	23.80	11.34	42.97	26.19
2015/2016	22.94	10.00	3.31	23.80	11.34	36.97	18.59

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

PRINCIPAL TAXPAYERS IN MONTGOMERY COUNTY
REAL ESTATE TAX
2025 AND 2016 (1)

Name of Taxpayer	2025	
	Assessed Value	Percent of Real Property Assessed Value
Dayton Power and Light Company	\$511,242,260	25.12%
Vectren Energy Delivery of Ohio	157,074,510	7.72
NREA VB V LLC	31,267,690	1.54
VB Eleven LLC	25,103,760	1.23
Tait Electric Generating Station	24,272,040	1.19
Kettering Medical Center	21,799,370	1.07
Dayton Mall II LLC	21,461,080	1.05
City of Dayton	16,568,330	0.81
ABC PLBKVOHOO1 LLC	15,448,560	0.76
Exeter Jackson Land LLC	15,007,810	0.74
Totals	<u>\$ 839,245,410</u>	<u>41.24%</u>
Total Assessed Valuation	<u>\$ 2,034,927,380</u>	

Name of Taxpayer	2016	
	Assessed Value	Percent of Real Property Assessed Value
Dayton Power and Light Company	\$ 331,257,310	23.35%
Vectren Energy Delivery of Ohio	44,334,620	3.13
Dayton Mall II LLC	31,553,290	2.22
HHR Borrower 1 LLC	21,207,780	1.49
City of Dayton	19,074,850	1.34
Reynolds & Reynolds	11,948,960	0.84
Kettering Medical Center	11,796,360	0.83
Huber Management Corp	11,536,650	0.81
Miami Valley Hospital	11,411,500	0.80
Meijer Stores Ltd Partnership	10,464,750	0.74
Totals	<u>\$ 504,586,070</u>	<u>35.57%</u>
Total Assessed Valuation	<u>\$ 1,418,660,640</u>	

(1) The amounts presented represent assessed values upon which 2024 and 2015 collections were based.

Source: Montgomery County Auditor's Office

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

PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN YEARS

Collection Year	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (2)
2025	\$ 94,750,594	\$ 89,994,050	95.0%	\$ 7,868,201
2024	93,407,307	85,578,509	91.6%	8,952,157
2023	96,448,790	87,716,504	90.9%	7,794,939
2022	93,907,110	86,143,782	91.7%	9,008,908
2021	92,512,691	85,542,297	92.5%	7,269,438
2020	90,129,817	81,817,672	90.8%	8,346,414
2019	88,266,854	79,313,463	89.9%	7,078,704
2018	87,462,162	78,178,582	89.4%	7,115,333
2017	92,168,355	81,918,270	88.9%	6,999,474
2016	88,811,780	77,956,516	87.8%	7,396,544

Source: Montgomery County Auditor's Office

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.

(2) The County does not identify delinquent tax collections by tax year.

Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy	Outstanding Delinquent Taxes	Delinquent Taxes to Current Tax Levy
\$ 97,862,251	103.3%	\$ 53,883,817	59.9%
94,530,666	101.2%	53,158,362	56.9%
95,511,443	99.0%	53,584,544	55.6%
95,152,690	101.3%	96,299,367	102.5%
92,811,735	100.3%	58,725,610	63.5%
90,164,086	100.0%	54,636,177	60.6%
86,392,167	97.9%	52,629,819	59.6%
85,293,915	97.5%	51,144,096	58.5%
88,917,744	96.5%	57,005,426	61.8%
85,353,060	96.1%	52,505,792	59.1%

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

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt			Percentage of Total Assessed Property Value	Total Debt Per Capita
	General Obligation Bonds	Amount Available for Debt Service	Net Bond Indebtedness		
2025	\$ 77,022,353	\$ 22,165,635	\$ 54,856,718	2.70%	2,736
2024	87,275,886	20,917,669	66,358,217	3.28%	490
2023	97,663,794	16,455,096	81,208,698	4.96%	597
2022	113,879,663	12,856,270	101,023,393	6.28%	734
2021	129,755,976	9,736,302	120,019,674	7.55%	872
2020	145,055,237	8,006,766	137,048,471	9.43%	976
2019	159,876,832	7,316,961	152,559,871	10.66%	1,085
2018	174,241,459	7,320,848	166,920,611	11.73%	1,189
2017	188,068,854	4,806,265	183,262,589	12.88%	1,304
2016	193,561,206	1,999,347	191,561,859	13.50%	1,362

Source: District Financial Records

NA - Information not available

Other Debt Obligations			Lease Liability	Total Outstanding Debt Obligations	Percentage of Personal Income	Per Capita
Certificates of Participation	QZAB Bonds					
\$ 16,009,711	\$ -	623,881	\$ 93,655,945	N/A	2,736	
17,146,756	-	-	104,422,642	2.92%	771	
18,248,802	-	-	115,912,596	3.78%	853	
19,320,848	-	-	133,200,511	4.38%	968	
19,920,331	-	-	149,676,307	5.47%	1,087	
10,641,506	-	-	155,696,743	5.78%	1,109	
11,463,469	-	-	171,340,301	6.60%	1,218	
12,230,432	-	-	186,471,891	7.19%	1,327	
12,942,395	-	-	201,011,249	8.26%	1,431	
13,609,358	10,000,000	-	217,170,564	8.94%	1,545	

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

**COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

	2016	2017	2018	2019
Assessed valuation	<u>\$ 1,418,660,640</u>	<u>\$ 1,423,168,090</u>	<u>\$ 1,422,946,560</u>	<u>\$ 1,430,625,260</u>
Debt limit - 9% of assessed value (1)	<u>127,679,458</u>	<u>128,085,128</u>	<u>128,065,190</u>	<u>128,756,273</u>
Amount of debt applicable to debt limit				
General obligation bonds	193,561,206	188,068,854	174,241,459	159,876,832
Less: unamortized premiums and discounts	-	-	-	-
Less: accumulated accretion	(38,213,045)	(39,506,050)	(33,257,129)	(18,896,389)
Less: amount available in debt service	<u>(1,999,347)</u>	<u>(4,806,265)</u>	<u>(7,320,848)</u>	<u>(7,316,961)</u>
Amount of debt subject to limit	<u>153,348,814</u>	<u>143,756,539</u>	<u>133,663,482</u>	<u>133,663,482</u>
Legal debt margin	<u>(25,669,356)</u>	<u>(15,671,411)</u>	<u>(5,598,292)</u>	<u>(4,907,209)</u>
Legal debt margin as a percentage of the debt limit	132.52%	139.06%	120.10%	104.37%
Unvoted debt limit - .10% of assessed value (1)	<u>1,418,661</u>	<u>1,423,168</u>	<u>1,422,947</u>	<u>1,430,625</u>
Applicable District debt outstanding	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted legal debt margin	<u>\$ 1,418,661</u>	<u>\$ 1,423,168</u>	<u>\$ 1,422,947</u>	<u>\$ 1,430,625</u>
Unvoted legal debt margin as a percentage of the unvoted debt limit	100.00%	100.00%	100.00%	100.00%

Source: Montgomery County Auditor's Office and the District's financial records.

Notes:

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

(2) Ohio Revised Code 133.06(E) permits a school district to incur indebtedness in excess of the 9% direct limitation if the State Superintendent determines that such a school district is a "special needs" district based on a five-year project showing annual growth of its tax valuation of 1.5% or more. The District was approved a "special needs status" on January 24, 2022.

2020	2021	2022	2023 (2)	2024	2025
<u>\$ 1,453,885,580</u>	<u>\$ 1,589,821,430</u>	<u>\$ 1,608,330,580</u>	<u>\$ 1,638,903,400</u>	<u>\$ 2,024,056,150</u>	<u>\$ 2,034,927,380</u>
<u>130,849,702</u>	<u>143,083,929</u>	<u>144,749,752</u>	<u>147,501,306</u>	<u>182,165,054</u>	<u>183,143,464</u>
145,055,237	129,755,976	113,879,663	97,663,794	87,275,886	77,022,353
-	-	-	-	-	-
(13,893,437)	(7,813,870)	(307,600)	7,446,302	13,851,783	-
<u>(8,006,766)</u>	<u>(9,736,302)</u>	<u>(12,856,270)</u>	<u>(16,455,096)</u>	<u>(20,917,669)</u>	<u>(22,165,635)</u>
<u>123,155,034</u>	<u>112,205,804</u>	<u>100,715,793</u>	<u>88,655,000</u>	<u>80,210,000</u>	<u>54,856,718</u>
<u>7,694,668</u>	<u>30,878,125</u>	<u>44,033,959</u>	<u>58,846,306</u>	<u>101,955,054</u>	<u>128,286,746</u>
103.81%	103.81%	69.58%	60.10%	44.03%	70.05%
<u>1,430,625</u>	<u>1,589,821</u>	<u>1,608,331</u>	<u>1,638,903</u>	<u>2,024,056</u>	<u>2,034,927</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,430,625</u>	<u>\$ 1,589,821</u>	<u>\$ 1,608,331</u>	<u>\$ 1,638,903</u>	<u>\$ 2,024,056</u>	<u>\$ 2,034,927</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2025**

	Debt Attributable to Governmental Activities	Percentage Applicable to District (1)	Amount of Direct and Overlapping Debt
Direct Debt			
School District	\$ 93,655,945	100.00%	\$ 93,655,945
Overlapping Debt:			
Payable from Property Taxes:			
City of Dayton	32,810,000	83.15%	27,281,515
City of Kettering	18,650,000	0.00%	0
City of Riverside	2,380,000	12.58%	299,404
City of Trotwood	607,000	15.63%	94,874
Dayton Metro Library District	112,019,986	18.28%	20,477,253
Total Overlapping Debt	166,466,986		48,153,046
Total Direct and Overlapping Debt	\$260,122,931		\$141,808,991

Source: Ohio Municipal Advisory Council

Note:

(1) Percentages were determined by dividing the assessed or actual valuation of the overlapping government located within the boundaries of the District by the total assessed or actual valuation of the overlapping government. The valuations used were for tax year 2024.

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

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	(1) City of Dayton Population	(2) Personal Income	(2) Per Capita Personal Income	(3) Unemployment Rate
2016	140,489	\$ 2,433,257,471	\$ 17,320	4.6%
2017	140,379	2,433,257,471	17,333	4.9%
2018	140,640	2,595,192,751	18,453	4.5%
2019	140,407	2,691,788,684	19,171	9.5%
2020	137,644	2,735,261,568	19,872	6.3%
2021	137,571	3,039,906,387	22,097	4.2%
2022	135,944	3,067,712,304	22,566	3.4%
2023	135,512	3,574,942,072	26,381	3.6%
2024	136,346	NA	NA	5.9%
2025	NA	NA	NA	6.4%

Sources:

(1) US. Bureau of the Census, Ohio Municipal Advisory Council, Years 2024 through 2025 were not available

(2) Ohio Department of Taxation

(3) September or October Data of Ohio Bureau of Employment Services or Ohio Department of Jobs and Family Services. Specific employment figures for the School District are not available. Unemployment percentages presented are for Franklin County and are not seasonally adjusted.

NA - Information not available

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

**PRINCIPAL EMPLOYERS
2024 AND 2015**

Employer	2024			2015		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Wright Patterson Air Force Base	38,000	1	45.28%	27,500	1	39.81%
Premier Health Partners	11,738	2	13.99%	14,135	2	20.47%
Kettering Medical Center Network	9,977	3	11.89%	5,029	3	7.29%
Montgomery County	4,318	4	5.15%	4,559	4	6.60%
Dayton Childrens Hospital	4,235	5	5.05%	-	-	-
Miami University	3,410	6	4.06%	-	-	-
Meijer Inc.	3,256	7	3.88%	-	-	-
University of Dayton	3,100	8	3.69%	-	-	-
Dayton VA Medical Center	2,989	9	3.56%	-	-	-
Honda Development & Manufacturing	2,900	10	3.46%	-	-	-
Sinclair Community College	-	-	-	2,726	8	3.95%
Kroger Company	-	-	-	4,100	5	5.94%
Lexis Nexis	-	-	-	3,100	6	4.49%
Wright State University	-	-	-	2,948	7	4.27%
Dayton City School District	-	-	-	2,574	9	3.73%
AK Steel Holding Corp.	-	-	-	2,400	10	3.47%
Total	<u>83,923</u>		<u>100.00%</u>	<u>69,071</u>		<u>100.00%</u>

Source: City of Dayton ACFR

Note: Information on principal employers for 2025 was not available.

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

CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
School Buildings:				
Elementary (PK-8)				
Buildings	21	21	21	20
Square Feet	1,536,502	1,536,502	1,536,502	1,455,502
Capacity	9,931	9,931	9,931	9,381
Enrollment	9,347	9,412	9,340	8,759
High				
Buildings	6	6	6	6
Square Feet	923,077	923,077	923,077	923,077
Capacity	4,708	4,708	4,708	4,708
Enrollment	4,165	3,861	3,842	3,957
Other				
Buildings	1	1	1	1
Square Feet	98,934	98,934	98,934	98,934
Capacity	919	919	919	919
Enrollment	209	44	39	40
Administrative Building:				
Buildings	1	1	1	1
Square Feet	150,000	150,000	150,000	150,000
Service Buildings:				
Buildings	4	4	4	4
Square Feet	106,399	106,399	106,399	106,399
Transportation:				
Garages	1	1	1	1
Buses	196	196	196	196
Athletics:				
Facility	1	1	1	1
Football Fields	11	11	11	11
Soccer Fields	6	6	6	6
Running Tracks	7	7	7	7
Baseball/Softball Fields	21	21	21	21
Playgrounds	48	48	48	46
Tennis Courts	23	23	23	23

Source: District Financial Records

2020	2021	2022	2023	2024	2025
19	19	19	19	19	19
1,383,502	1,383,502	1,383,502	1,383,502	1,383,502	1,383,502
8,908	8,908	8,908	8,908	8,908	8,908
8,789	7,948	7,774	8,243	8,584	8,584
6	7	7	7	7	7
923,077	949,857	949,857	949,857	949,857	949,857
4,708	4,908	4,908	4,908	4,908	4,908
3,573	3,741	3,894	3,917	3,722	3,722
1	1	1	1	1	1
98,934	98,934	98,934	98,934	98,934	98,934
919	919	919	919	919	919
140	89	26	28	200	200
1	1	1	1	1	1
150,000	150,000	70,500	70,500	70,500	70,500
4	4	4	4	4	4
106,399	106,399	106,399	106,399	106,399	106,399
1	1	1	1	1	1
196	196	196	196	196	196
1	1	1	1	1	1
11	11	11	11	11	11
6	6	6	6	6	6
7	7	7	7	7	7
21	21	21	21	21	21
46	46	46	46	46	46
23	23	23	23	23	23

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

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Operating Expenses (1)	Average Daily Membership	Cost Per Pupil	Percentage Change	Expenses (2)	Cost Per Pupil
2025	\$ 287,336,638	12,148	\$ 23,653	2.17%	\$ 286,547,391	\$ 23,588
2024	302,221,047	12,506	24,166	7.06%	282,671,833	22,603
2023	275,103,253	12,188	22,572	1.14%	264,786,469	21,725
2022	260,985,360	11,694	22,318	-12.45%	238,304,153	20,378
2021	300,251,179	11,778	25,493	0.09%	314,533,506	26,705
2020	293,748,491	12,535	23,434	9.30%	305,352,838	24,360
2019	273,489,665	12,756	21,440	3.49%	261,986,274	20,538
2018	273,904,212	13,221	20,717	4.28%	194,365,230	14,701
2017	264,561,193	13,317	19,866	9.73%	283,962,498	21,323
2016	248,418,688	13,721	18,105	-5.75%	259,190,918	18,890

Source: District Records; Ohio Department of Education and Workforce iLRC - cash basis reporting

Note:

- (1) Debt service totals have been excluded
- (2) Expenses are total government wide expenses less unallocated depreciation.

Percentage Change	Number of Teaching Staff	Pupil-Teacher Ratio	Percentage of Free or Reduced Price Meals
-4.18%	1,066	11.40	100.00%
4.04%	1,031	12.13	100.00%
6.61%	1,074	11.35	100.00%
-23.69%	1,028	11.38	100.00%
0.10%	916	12.86	100.00%
18.61%	771	16.26	100.00%
39.70%	774	16.48	100.00%
-31.07%	871	15.18	100.00%
12.88%	909	14.65	100.00%
-6.16%	879	15.61	100.00%

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

DISTRICT EMPLOYEES BY POSITION CODE
LAST TEN FISCAL YEARS

Function/Program	2016	2017	2018	2019
Official/Administrative				
Assistant Principals	22	26	36	32
Principals	28	28	28	26
Superintendent	1	1	1	1
Supervision/Manager	9	12	16	14
Treasurer	1	1	1	1
Coordinator	25	7	8	8
Director	32	40	37	36
Other Official/Administrative	6	17	15	30
Totals	124	132	142	148
Professional - Educational/Other				
Curriculum Specialist	-	-	-	29
Counseling	12	12	12	15
Librarian/Media	5	3	7	8
Remedial Specialist	17	12	10	53
Tutor/Small Group Instructor	3	2	4	4
Supplemental Service Teacher (Special Education)	50	49	47	64
General Education	544	600	548	492
Gifted and Talented	9	9	8	6
Preschool Special Education	42	43	39	39
Special Education	168	147	147	125
Career-Technical Programs/Pathways	26	23	38	26
Art Education K-8	30	27	27	25
Music Education K-8	26	25	30	30
Physical Education K-8	34	35	34	31
Other Professional	23	38	2	2
Psychologist	16	15	13	14
Registered Nursing	24	26	27	23
Speech and Language Therapist	12	11	10	9
Occupational Therapist	6	10	5	3
Educational Interpreter	14	16	16	11
Other Professional - Other	22	21	3	4
Total	1,083	1,124	1,027	1,013
Technical/Office/Clerical				
Instructional Paraprofessional	235	230	228	244
Other Technical	4	9	15	32
Clerical	95	82	92	82
Teaching Aide	40	33	30	40
Other Office/Clerical	5	6	26	18
Total	379	360	391	416
Crafts and Trades/Operative				
Mechanic	14	14	13	10
Other Crafts and Trades	35	30	32	35
Vehicle Operator (other than buses)	10	8	13	9
Vehicle Operator (buses)	166	162	152	143
Other Operative	1	-	16	3
Total	226	214	226	200
Service Work/Laborer				
Custodians	101	107	109	101
Food Service	97	90	92	82
Guard/Watchman	28	29	25	34
Other Service Worker/Laborer	24	23	28	20
Total	250	249	254	237
Totals	2,062	2,079	2,040	2,014

Source: State Reported EMIS Data

2020	2021	2022	2023	2024	2025
31	38	39	36	35	42
25	25	28	24	29	29
1	1	1	1	1	1
14	13	17	14	14	11
1	1	1	1	1	1
32	29	25	21	41	68
34	42	31	39	30	27
16	16	22	14	35	43
154	165	164	150	186	222
27	35	40	18	18	25
16	16	16	18	17	29
9	6	9	8	7	7
24	25	25	81	26	29
5	8	2	2	2	1
77	87	73	58	71	75
521	659	595	621	720	782
7	7	7	7	6	6
27	27	27	23	27	25
109	106	146	109	146	35
28	38	24	25	27	47
25	25	25	27	21	21
29	28	27	28	23	30
25	26	27	28	20	16
3	67	66	3	5	9
15	18	18	12	18	18
23	28	28	27	27	30
9	10	10	10	6	5
6	6	6	9	9	9
11	11	11	9	9	8
6	46	43	27	18	11
1,002	1,279	1,225	1,150	1,223	1,218
220	207	193	191	211	267
27	35	30	38	38	31
83	101	74	77	73	68
37	40	54	58	36	
11	15	15	15	31	38
378	398	366	379	389	404
10	14	11	7	9	14
35	36	33	30	32	52
8	10	8	8	15	14
180	166	169	135	134	190
16	14	17	24	31	289
249	240	238	204	221	559
102	102	98	100	103	102
92	85	87	92	93	96
33	42	40	22	45	50
24	55	45	27	35	
251	284	270	241	276	248
2,034	2,366	2,263	2,124	2,295	2,651

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

TEACHER EDUCATION AND EXPERIENCE
June 30, 2025

Degree	Number of Teachers	Percentage of Total
Bachelor's Degree	428	40.15%
Bachelor's + 18 Semester Hours of Graduate Credit	53	4.97%
Master's Degree	468	43.90%
Master's Degree + 30 Semester Hours of Graduate Credit	100	9.38%
Doctorate Degree	17	1.59%
Total	1,066	100.00%

Years of Experience	Number of Teachers	Percentage of Total
0-5	554	51.97%
6-10	190	17.82%
11-15	70	6.57%
16 and Over	252	23.64%
Total	1,066	100.00%

Source: Dayton City School District Human Resources Records

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

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2025

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DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Agency/ Pass Through Agency/ Program Title	Assistance Listing Number	Disbursements
U.S. Department of Agriculture:		
<i>Passed through Ohio Department of Education:</i>		
<u>Child Nutrition Cluster:</u>		
School Breakfast Program	10.553	\$ 3,162,585
National School Lunch Program	10.555	6,358,420
National School Lunch Program - Food Distribution (non-cash)	10.555	726,040
		<u>7,084,460</u>
Summer Food Service Program for Children	10.559	236,215
Fresh Fruit and Vegetable Program	10.582	512,585
		<u>10,995,845</u>
Total Child Nutrition Cluster		<u>10,995,845</u>
Total US Department of Agriculture		<u>10,995,845</u>
U.S. Department of Defense:		
<i>Direct Award</i>		
ROTC Language and Culture Training Grants	12.357	76,643
Total U.S. Department of Defense		<u>76,643</u>
U.S. Department of the Treasury:		
<i>Passed through Ohio Facilities Construction Commission:</i>		
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	1,617,344
Total U.S. Department of the Treasury		<u>1,617,344</u>
U.S. Department of Education:		
<i>Passed through Ohio Department of Education:</i>		
Title I Grants to Local Educational Agencies	84.010A	10,816,278
<u>Special Education Cluster (IDEA):</u>		
Special Education Grants to States	84.027A	4,938,238
Special Education Preschool Grants	84.173A	62,275
		<u>5,000,513</u>
Total Special Education Grants Cluster (IDEA)		<u>5,000,513</u>
Career and Technical Education- Basic Grants to States	84.048A	652,573
Education for Homeless Children and Youth	84.196A	87,550
Twenty-First Century Community Learning Centers	84.287C	691,244
English Language Acquisition State Grants	84.365A	317,045
Supporting Effective Instruction State Grants	84.367A	989,512
Student Support and Academic Enrichment Program:		
Title IV, Part A	84.424A	1,519,831
Stronger Connections Grant (SCG)	84.424F	270,882
		<u>1,790,713</u>
COVID-19 Education Stabilization Fund:		
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	\$ 12,627,726
American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth (ARP - HCY)	84.425W	172,674
		<u>12,800,400</u>
Total U.S. Department of Education		<u>33,145,828</u>
Total Expenditures of Federal Awards		<u>\$ 45,835,660</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**DAYTON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Dayton City School District (the District's) under programs of the federal government for the fiscal year ended June 30, 2025. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Dayton City School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The District has elected to not use the 10-percent/15-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E - MATCHING REQUIREMENTS

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

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2025 to 2026 programs:

Program Title	Assistance Listing Number	Amount Transferred
Title I Grants to Local Educational Agencies	84.010A	\$2,026,003
Special Education Grants to States	84.027A	\$2,058,152
Language Instruction for English Learners and Immigrant Students	84.365A	\$377,701
Supporting Effective Instruction State Grants	84.367A	\$644,819
Student Support and Academic Enrichment Program	84.424A	\$463,325
		<u>\$5,570,000</u>



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Education
Dayton City School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Dayton City School District (the "District"), as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 29, 2025, wherein we noted the District adopted the provisions of GASB Statement No. 101 for the year ended June 30, 2025.

Reporting on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
December 29, 2025



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education
Dayton City School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Dayton City School District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2025-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance 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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned cost as item 2025-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon, dated December 29, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
December 29, 2025

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes
Type of auditors’ report issued on compliance for major programs:	Unmodified

Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes
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Identification of major programs:

ALN 21.027 – COVID-19 Coronavirus State and Local Fiscal Recovery

Special Education Cluster:

ALN# 84.027A – Special Education Grants to States
ALN# 84.173A – Special Education Preschool Grants

Student Support and Academic Enrichment Program:

ALN 84.424A –Student Support and Academic Enrichment Program
ALN 84.424F –Stronger Connections

COVID-19: Education Stabilization Fund:

ALN# 84.425U – Elementary and Secondary School Emergency Relief ARP
ALN# 84.425W – Elementary and Secondary School Emergency Relief - Homelessness ARP

Dollar threshold to distinguish between Type A and Type B programs:	\$1,375,070
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Auditee qualified as low-risk auditee?	Yes
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Section II – Financial Statement Findings

None noted

Section III – Federal Awards Findings and Questioned Costs

2025-001 – Significant Deficiency– Coronavirus State and Local Fiscal Recovery Funds

Compliance Requirement(s): Period of Performance and Reporting

ALN 21.027

U.S. Department of the Treasury

Criteria: The District was a subrecipient of Ohio's K-12 School Safety Grant Program. Under Uniform Guidance, 2 CFR §§200.77 and 200.309 require that all costs be incurred within the grant's period of performance, and §200.344 mandates liquidation of obligations by the specified deadlines, which were December 31, 2023 for encumbrances and September 30, 2024 for liquidation. For reporting, §§200.302(b) and 200.328 require accurate financial and programmatic reporting to the pass-through entity.

Condition: The District liquidated \$72,970 in expenditures after September 30, 2024, which was beyond the grant's period of performance. In addition, quarterly reports did not accurately reflect the timing of expenditures, resulting in discrepancies between reported and actual activity between quarters.

Context: Our testing focused on expenditures near the end of the performance period and included a review of all four quarterly reports. Multiple reports contained errors in the timing of reported expenditures compared to actual disbursements.

Cause: The District lacked controls to prevent expenditures beyond the grant's performance period and did not have adequate review procedures for quarterly reporting.

Effect: The questioned costs may be subject to disallowance, creating a potential liability for the District. Inaccurate financial reporting also increases the risk of improper drawdowns, misinformed oversight, and potential impact on future funding decisions.

Questioned Costs: \$72,970

Repeat Finding: No

Recommendation: We recommend that the District establish and enforce controls to ensure all expenditures are incurred and liquidated within the grant's period of performance, implement a documented review process for quarterly grant reporting that includes reconciliation to the general ledger prior to submission, and develop a documented training schedule to ensure staff understand Uniform Guidance requirements for compliance with period of performance and reporting.

Views of Responsible Officials: *See management's response in the District's Corrective Action Plan.*

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
June 30, 2025

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2025-001	The district will implement controls for monitoring reporting grant requirements and grant expenditures to ensure compliance with reporting and period of performance requirements for federal grants.	6/30/26	Hiwot Abraha





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Appendix D

PROPOSED TEXT OF OPINION OF BOND COUNSEL

_____, 2026

To: Stifel, Nicolaus & Company, Incorporated
Columbus, Ohio

We have examined the transcript of proceedings (the Transcript) relating to the issuance of \$31,000,000 principal amount of Certificates of Participation, Series 2026 (Dayton City School District, Montgomery County, Ohio School Facilities Project), Series 2026 (Evidencing Proportionate Interests in Base Rent to be Paid by the Dayton City School District, Montgomery County, Ohio) (the “Series 2026 Certificates”) for the lease of certain real and personal property pursuant to a Lease-Purchase Agreement, dated as of the closing date of the Series 2026 Certificates (the “Lease”), between the Dayton City School District (the “School District”), as lessee, and FBT Leasing Corporation (the “Corporation”), as lessor. The Corporation’s rights as lessor have been assigned pursuant to the Indenture (the “Indenture”) and the Assignment of Leases (the “Assignment”), each dated as of the closing date of the Series 2026 Certificates, between the Corporation and U.S. Bank Trust Company, National Association, as Trustee (the “Trustee”). The Series 2026 Certificates are being sold and delivered pursuant to the Indenture which creates an irrevocable trust for the benefit of the registered owners of the Series 2026 Certificates. The proceeds received from the sale of the Series 2026 Certificates will be used (i) to construct, furnish, and equip improvements to School District buildings and (ii) to pay costs relating to the sale of the Series 2026 Certificates. The School District is required by the Lease to make Base Rent payments from appropriated funds during the initial term of the Lease and any renewal thereof (the initial term of the Lease and such renewal period during which the Lease is in force are hereinafter referred to, individually and not collectively, as the “Lease Term”). The initial Lease Term commences as of the closing date of the Series 2026 Certificates and expires on June 30, 2027. Each renewal of the Lease will be for a Lease Term beginning July 1 and ending June 30 of the succeeding year, except the final Lease Term which will end on December 1, 2046. The renewal of the Lease and the School District’s obligation to pay Base Rent are subject to and dependent upon annual appropriations by the School District sufficient to pay Base Rent. If the School District does not make an appropriation of money sufficient to pay Base Rent in any succeeding Lease Term, the Lease will terminate as of the end of the then current Lease Term. The documents in the Transcript examined include signed counterparts of the Lease, the Indenture, and the Assignment. We have also examined certain other documents, including a conformed copy of a signed Series 2026 Certificate, opinions, and records (but did not review any minutes of meetings of the Board of Education of the School District other than the meeting at which the resolution authorizing the Lease was adopted), and we have made such investigations concerning applicable laws, as we considered to be appropriate for the purpose of rendering this opinion.

Based on this examination, we are of the opinion that under existing law:

1. The Series 2026 Certificates, the Ground Lease, the Lease, the Assignment and the Indenture are legal, valid, binding and enforceable in accordance with their respective terms, except that the binding effect and enforceability thereof are subject to applicable bankruptcy laws and other laws in effect from time to time affecting the rights of creditors generally, and except to the extent that the enforceability thereof may be limited by the application of general principles of equity.

2. The Series 2026 Certificates are payable solely from revenues received under the Indenture, which consist of (i) the Base Rent, (ii) all other rentals received or to be received by the Trustee

from the lease of the Project Site and Project Facilities, (iii) any money and investments in the Certificate Fund and the Project Fund, subject to the terms of the Indenture and (iv) all income and profit from the investment of the foregoing money. The School District's obligation to pay Base Rent does not constitute a debt of the School District within the meaning of any constitutional or statutory limitation.

3. Assuming renewal of the Lease through the final renewal period and continuing compliance with certain covenants and the accuracy of certain representations, (i) the portion of the Base Rent paid and denominated as interest under the Lease and received by the owners (the "Interest Portion") is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals; however, such Interest Portion may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations, and (ii) the Interest Portion, and any profit made on the sale, exchange or other disposition of the Series 2026 Certificates, are exempt from the Ohio personal income tax, the Ohio commercial activity tax, the net income base of the Ohio corporate franchise tax, and municipal, school district, and joint economic development district income taxes. Under certain circumstances, interest paid for periods following termination of the Lease by non-appropriation may not be excluded from gross income for federal income tax purposes. Bond Counsel expresses no opinion on the federal income tax or Ohio state or local income tax treatment of amounts paid to owners of the Series 2026 Certificates in the event of termination of the Lease by non-appropriation or as to any other tax consequences regarding the Series 2026 Certificates. We express no other opinion regarding federal tax consequences with respect to the Series 2026 Certificates.

In giving the foregoing opinion with respect to the treatment of the Interest Portion, and the status of the Series 2026 Certificates under the federal tax laws, we have assumed and relied upon compliance with the covenants and the accuracy, which we have not independently verified, of the School District's representations and certifications, all as contained in the transcript. The accuracy of those representations and certifications and compliance by the School District with those covenants may be necessary for the Interest Portion to be and to remain excluded from gross income for federal income tax purposes and for the other federal tax effects stated above. Failure to comply with certain of those covenants subsequent to issuance could cause the Interest Portion to be included in gross income for federal income tax purposes retroactively to their date of issuance.

For purposes of rendering this opinion, we have assumed the due authorization, signing and delivery by, and the binding effect upon and enforceability against, the Trustee, of the Indenture and the Assignment. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

Appendix E

BOOK-ENTRY-ONLY ISSUANCE; DTC

Book-Entry System

The information set forth in the following numbered paragraphs is based on information provided by The Depository Trust Company in its “Sample Offering Document Language Describing DTC and Book-Entry-Only Issuance” (June 2013). As such, the School District believes it to be reliable, but the School District takes no responsibility for the accuracy or completeness of that information. It has been adapted to the Series 2026 Certificates issue by substituting “Certificates” for “Securities,” “School District” for “Issuer” and “Registrar” for “registrar” and by the addition of the italicized language set forth in the text. See also the additional information following those numbered paragraphs.

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Certificates will be issued for each (*maturity*) of the Certificates (*and interest rate within a maturity*), each in the aggregate principal amount of such (*maturity*), and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. (*This internet site is included for reference only, and the information in this internet site is not incorporated by reference in this Offering Circular.*)

3. Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC’s records. The ownership interest of each actual purchaser of each Certificate (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial

Owners. Beneficial Owners will not receive certificates representing their ownership interests in Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

4. To facilitate subsequent transfers, all Certificate deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Certificates within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the School District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividends (*debt charges payments*) on the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the School District or the Registrar, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar, or the School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividends (*debt charges*) to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School District or the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. (*Not Applicable to the Certificates.*)

10. DTC may discontinue providing its services as depository with respect to the Certificates at any time by giving reasonable notice to the School District or the Registrar. Under such circumstances, in

the event that a successor depository is not obtained, Certificates are required to be printed (*or otherwise produced*) and delivered.

11. The School District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Certificates will be printed (*or otherwise produced*) and delivered to DTC.

12. The information (*above*) in this section concerning DTC and DTC's book-entry system has been obtained from sources that the School District believes to be reliable, but the School District takes no responsibility for the accuracy thereof.

Direct Participants and Indirect Participants may impose service charges on Beneficial Owners in certain cases. Purchasers of book-entry interests should discuss that possibility with their brokers.

The School District and the Registrar have no role in the purchases, transfers or sales of book-entry interests. The rights of Beneficial Owners to transfer or pledge their interests, and the manner of transferring or pledging those interests, may be subject to applicable state law. Beneficial Owners may want to discuss with their legal advisors the manner of transferring or pledging their book-entry interests.

The School District and the Registrar have no responsibility or liability for any aspects of the records or notices relating to, or payments made on account of, beneficial ownership, or for maintaining, supervising or reviewing any records relating to that ownership.

The School District and the Registrar cannot and do not give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute to the Beneficial Owners payments of debt charges on the Certificates made to DTC as the registered owner, or redemption, if any, or other notices, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve or act in a manner described in this Offering Circular.

For all purposes under the Certificates proceedings (except the Continuing Disclosure Agreement under which others as well as DTC may be considered an owner or holder of the Certificates, see **Continuing Disclosure Agreement**), DTC will be and will be considered by the School District and the Registrar to be the owner or holder of the Certificates.

Beneficial Owners will not receive or have the right to receive physical delivery of Certificates, and, except to the extent they may have rights as Beneficial Owners or holders under the Continuing Disclosure Agreement, will not be or be considered by the School District and the Registrar to be, and will not have any rights as, owners or holders of Certificates under the Certificate proceedings.

Reference herein to "DTC" includes when applicable any successor securities depository and the nominee of the depository.

Revision of Book-Entry System; Replacement Certificates

The Certificate proceedings provide for issuance of fully-registered Certificates (Replacement Certificates) directly to owners of Certificates other than DTC only in the event that DTC (or a successor securities depository) determines not to continue to act as securities depository for the Certificates. Upon occurrence of this event, the School District may in its discretion attempt to have established a securities depository book-entry relationship with another securities depository. If the School District does not do so, or is unable to do so, and after the Registrar has made provision for notification of the Beneficial Owners of the Certificates by appropriate notice to DTC, the School District and the Registrar will authenticate and deliver

Replacement Certificates of any one maturity and interest rate within a maturity, in authorized denominations, to or at the direction of any persons requesting such issuance, and, if the event is not the result of School District action or inaction, at the expense (including legal and other costs) of those requesting.

Debt charges on Replacement Certificates will be payable when due without deduction for the services of the Registrar as paying agent. Principal of and any premium on Replacement Certificates, will be payable when due to the registered owner upon presentation and surrender at the designated corporate trust office of the Registrar. Interest on Replacement Certificates will be payable on the interest payment date by the Registrar by transmittal to the registered owner of record on the Certificate Register as of the 15th day of the calendar month preceding the interest payment date. Replacement Certificates will be exchangeable for other Replacement Certificates of authorized denominations, and transferable, at the designated corporate trust office of the Registrar without charge (except taxes or governmental fees). Exchange or transfer of then-redeemable Replacement Certificates is not required to be made: (i) between the 15th day of the calendar month next preceding the mailing of notice of redemption of Replacement Certificates and the date of that mailing, or (ii) of a particular Replacement Certificate selected for redemption (in whole or part).

Appendix F

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

\$31,000,000

Certificates of Participation, Series 2026

(Dayton City School District, Montgomery County, Ohio School Facilities Project), Series 2026

*Evidencing Proportionate Interests in Base Rent to be Paid by the
Dayton City School District, Montgomery County, Ohio*

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT, dated as of _____, 2026 (the Agreement), is made, signed and delivered by **DAYTON CITY SCHOOL DISTRICT, OHIO**, a school district and political subdivision duly organized and existing under the Constitution and laws of the State of Ohio (the School District), for the benefit of the Holders and Beneficial Owners (as defined herein) from time to time of the School District's \$31,000,000 Certificates of Participation Evidencing Proportionate Interests of the Owners thereof in Payments to be Made by the Board of Education of the Dayton City School District, Ohio (the "Certificates"), authorized by a resolution adopted by the Board of Education of the School District on May 18, 2026 (the "Authorizing Resolution").

RECITAL

The School District, by adoption of the Authorizing Resolution, has determined to issue the Certificates to provide funds for School District purposes, and Stifel, Nicolaus & Company, Incorporated (the Participating Underwriter), has agreed to provide those funds to the School District by purchasing the Certificates. As a condition to the purchase of the Certificates from the School District and the sale of Certificates to Holders and Beneficial Owners, the Participating Underwriter is required to reasonably determine that the School District has undertaken, in a written agreement for the benefit of Holders and Beneficial Owners of the Certificates, to provide certain information in accordance with the Rule (as defined herein).

NOW, THEREFORE, in accordance with the Authorizing Resolution, the School District covenants and agrees as set forth in this Continuing Disclosure Agreement.

Section 1. Purpose of Continuing Disclosure Agreement. This Agreement is being entered into, signed and delivered for the benefit of the Holders and Beneficial Owners of the Certificates and in order to assist the Participating Underwriter of the Certificates in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (SEC) pursuant to the Securities Exchange Act of 1934, as may be amended from time to time (the Rule).

Section 2. Definitions. In addition to the definitions set forth above, the following capitalized terms shall have the following meanings in this Agreement, unless the context clearly otherwise requires. Reference to "Sections" shall mean sections of this Agreement.

"Annual Filing" means any Annual Information Filing provided by the School District pursuant to, and as described in, Sections 3 and 4.

"Beneficial Owner" means any person that (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Certificates for federal income tax purposes.

“EMMA” means the Electronic Municipal Market Access system of the MSRB; information regarding submissions to EMMA is available at <http://emma.msrb.org>.

“Filing Date” means the last day of the ninth month following the end of each Fiscal Year (or the next succeeding business day if that day is not a business day), beginning March 31, 2027, and as further described in Section 4 herein.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement, or similar document, has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the 12-month period beginning on July 1 of each year or such other 12-month period as the School District shall adopt as its fiscal year.

“Holder” means, with respect to the Certificates, the person in whose name a Certificate is registered in accordance with the Authorizing Resolution.

“MSRB” means the Municipal Securities Rulemaking Board.

“Obligated Person” means, any person, including the issuer of municipal securities, who is generally committed by contract or other arrangement to support payment of all or part of the obligations on the municipal securities being sold in an offering document (such as the Offering Circular); the School District is the only Obligated Person for the Certificates.

“Offering Circular” means the Offering Circular for the Certificates dated _____, 2026.

“Participating Underwriter” means any of the original underwriters of the Certificates required to comply with the Rule in connection with offering of the Certificates.

“Specified Events” means any of the events with respect to the Certificates as set forth in Section 5(a).

“State” means the State of Ohio.

Section 3. Provision of Annual Information.

(a) The School District shall provide (or cause to be provided) not later than the Filing Date to the MSRB an Annual Filing, which is consistent with the requirements of Section 4. The Annual Filing shall be submitted in an electronic format and contain such identifying information as is prescribed by the MSRB, and may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4; provided that the Audited Financial Statements of the School District may be submitted separately from the balance of the Annual Filing and later than the Filing Date if they are not available by that date. If the School District’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Specified Event under Section 5.

(b) If the School District is unable to provide to the MSRB an Annual Filing by the Filing Date, the School District shall, in a timely manner, send a notice to the MSRB in an electronic format as prescribed by the MSRB, which shall include a statement as to the date by which the School District anticipates that the Annual Report will be provided to the MSRB.

Section 4. Content of Annual Filing.

(a) The School District's Annual Filing shall contain or include by reference the following:

- (1) Audited Basic Financial Statements of the School District.
- (2) Financial Forecast of the School District.
- (3) Fiscal year data for the table entitled "Actual and Projected Enrollment" and contained in APPENDIX A to the Offering Circular under the caption "DAYTON CITY SCHOOL DISTRICT – Enrollment," excluding projections.
- (4) Fiscal year data for the table entitled "PRINCIPAL TAXPAYERS" and contained in APPENDIX A to the Offering Circular under the caption "AD VALOREM TAX REVENUES – Largest Taxpayers."
- (5) Fiscal year data for the table entitled "ASSESSED VALUATION" and contained in APPENDIX A to the Offering Circular under the caption "AD VALOREM TAX REVENUES – Changes to Assessed Valuation."
- (6) Fiscal year data for the table entitled "REAL ESTATE, PUBLIC UTILITY AND TANGIBLE PERSONAL PROPERTY TAX COLLECTION PERCENTAGES" and contained in APPENDIX A to the Offering Circular under the caption "AD VALOREM TAX REVENUES – Collections and Delinquencies of Ad Valorem Taxes."
- (7) Fiscal year data for the tables contained in APPENDIX A to the Offering Circular under the caption "AD VALOREM TAX REVENUES – Voting Records."

All or any of the items listed above may be included by specific reference from other documents which have previously been provided to the MSRB or to the Securities and Exchange Commission. If the document included by reference is a final official statement or similar document, it must be available from the MSRB. If this School District prepares an Annual Comprehensive Financial Report ("ACFR") that includes the items listed above, the School District may designate the ACFR as the Annual Report.

(b) The Basic Financial Statements of the School District to be included in the Annual Report shall be initially prepared in accordance with generally accepted accounting principles and shall be accompanied by a report of the Auditor of the State of Ohio, or, if applicable, the independent certified public accountants who audited the financial statements; provided, however, if such report is not available to the School District at the time of providing the Annual Report to the MSRB as provided in Section 3 of this Agreement, the School District will provide such report to the MSRB as provided in Section 3 of this Agreement as soon as it is available.

Section 5. Reporting Specified Events.

The School District shall provide (or cause to be provided) to the MSRB, in an electronic format and containing such identifying information as is prescribed by the MSRB and in a timely manner but not later than ten business days after the occurrence of the event, notice of any of the following events with respect to the Certificates, as specified by the Rule:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;^(a)
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;^(a)
- (5) Substitution of credit or liquidity providers, or their failure to perform;^(a)
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security (i.e., the Certificates), or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders, if material;
- (8) Certificate calls, if material, and tender offers;^(b)
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, if material;^(c)
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
Note: For the purposes of the event identified in this subparagraph, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.
- (13) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and

- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

Note:

- (a) *The School District has not obtained or provided, and does not expect to obtain or provide, any debt service reserves, credit enhancements or credit or liquidity providers for the Certificates.*
- (b) *Any scheduled redemption of Certificates pursuant to mandatory sinking fund redemption requirements does not constitute a specified event within the meaning of the Rule.*
- (c) *Repayment of the Certificates is not secured by a lien on any property capable of release or sale or for which other property may be substituted.*

For the Specified Events described in Section (5), (6, as applicable), (7), (8, as applicable), (10), (13), (14), and (15), the School District acknowledges that it must make a determination whether such Specified Event is material under applicable federal securities laws in order to determine whether a filing is required.

Section 6. Means of Reporting Information. The School District shall provide information to the MSRB's EMMA disclosure service as prescribed by the MSRB. As of the date hereof, submissions must be by electronic submission in an electronic portable document format ("PDF") that shall have a word-search function permitting a user to search the document.

The School District is authorized to transmit information to the MSRB by whatever means are mutually acceptable to the School District and the MSRB.

Section 7. Amendments. Notwithstanding any other provision of this Agreement, the School District may amend this Agreement, and any provision of this Agreement may be waived, if the School District has received an opinion of counsel knowledgeable in federal securities laws to the effect that such amendment or waiver would not, in any of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Section 8. Additional Information. Nothing in this Agreement shall be deemed to prevent the School District from disseminating any other information, using the means of dissemination set forth in this Agreement or providing any other means of communication, or including any other information in any Annual Filing or providing notice of the occurrence of an event, in addition to that which is required by this Agreement. If the School District chooses to include any information in any document or notice of occurrence of an event in addition to that which is specifically required by this Agreement, the School District shall have no obligation under this Agreement to update such information or include it in any future Annual Filing or notice of occurrence of a Specified Event.

Section 9. Remedy for Breach. This Agreement shall be solely for the benefit of the Holders and Beneficial Owners from time to time of the Certificate. The exclusive remedy for any breach of the Agreement by the School District shall be limited, to the extent permitted by law, to a right of Holders and Beneficial Owners to institute and maintain, or to cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by the School District of its obligations under this Agreement in a court in Montgomery County, Ohio. Any such proceedings shall be instituted and maintained only in accordance with Section 133.25(B)(4)(b) or (C)(1) of the Revised Code (or any like or comparable successor provisions); provided that any Holder or Beneficial Owner may exercise individually any such right to require the School District to specifically perform its obligation to provide or cause to be provided a pertinent filing if such a filing is due and has not been made. Any Beneficial Owner seeking to require the School District to comply with this Agreement shall first provide at least 30 days' prior written notice to the School

District of the School District's failure, giving reasonable detail of such failure, following which notice the School District shall have 30 days to comply. A default under this Agreement shall not be deemed an event of default under the Authorizing Legislation, and the sole remedy under this Agreement in the event of any failure of the School District to comply with this Agreement shall be an action to compel performance. No person or entity shall be entitled to recover monetary damages under this Agreement.

Section 10. Appropriation. The performance by the School District of its obligations under this Agreement shall be subject to the availability of funds and their annual appropriation to meet costs that the School District would be required to incur to perform those obligations. The School District shall provide notice to the MSRB in the same manner as for a Specified Event under Section 5 of the failure to appropriate funds to meet costs to perform the obligations under this Agreement.

Section 11. Termination. The obligations of the School District under the Agreement shall remain in effect only for such period that the Certificates are outstanding in accordance with their terms and the School District remains an Obligated Person with respect to the Certificates within the meaning of the Rule. The obligation of the School District to provide the information and notices of the events described above shall terminate, if and when the School District no longer remains such an Obligated Person. If any person, other than the School District, becomes an Obligated Person relating to the Certificates, the School District shall use its best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person.

Section 12. Dissemination Agent. The School District may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 13. Beneficiaries. This Agreement shall inure solely to the benefit of the School District, any dissemination agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Section 14. Recordkeeping. The School District shall maintain records of all Annual Filings and notices of Specified Events and other events, including the content of such disclosure, the names of the entities with whom such disclosures were filed and the date of filing such disclosure.

Section 15. Governing Law. This Agreement shall be governed by the laws of the State.

IN WITNESS WHEREOF, the School District has caused this Continuing Disclosure Agreement to be duly signed and delivered to the Participating Underwriter, as part of the Certificate proceedings and in connection with the original delivery of the Certificates to the Participating Underwriter, on its behalf by its officials signing below, all as of the date set forth above, and the Holders and Beneficial Owners from time to time of the Certificates, shall be deemed to have accepted this Agreement made in accordance with the Rule.

DAYTON CITY SCHOOL DISTRICT

By: _____
Treasurer, Board of Education

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APPENDIX G

BOND INSURANCE

Bond Insurance Policy. Concurrently with the issuance of the Series 2026 Certificates, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy for the Series 2026 Certificates (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Series 2026 Certificates when due as set forth in the form of the Policy included as **Appendix H** to this Offering Circular. The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company. BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 28 Liberty Street, 59th Floor, New York, New York 10005, its telephone number is: 212-235-2500, and its website is located at: www.bambonds.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM’s financial strength is rated “AA/Stable” by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”). An explanation of the significance of the rating and current reports may be obtained from S&P at <https://www.spglobal.com/en/>. The rating of BAM should be evaluated independently. The rating reflects S&P’s current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM’s total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2026 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$505.6 million, \$295.6 million and \$210.0 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.bambonds.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at <https://bambonds.com/insights/#video>. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at <https://bambonds.com/credit-profiles>. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

[See Attached]



MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

28 Liberty Street, 59th Floor
New York, New York 10005

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

APPENDIX I

BUILD AMERICA MUTUAL ASSURANCE COMPANY DOCUMENT PROVISIONS

Build America Mutual Assurance Company (“BAM”) requires that certain provisions be included in certain documents with respect to the Series 2026 Certificates before it will issue its municipal bond insurance policy (the “Policy”) guaranteeing the scheduled payment of the principal of and interest on the Series 2026 Certificates when due. Certain of these provisions may limit the rights of the Holders of the Series 2026 Certificates. The following provisions will be incorporated into the Ground Lease, the Lease, and the Indenture and made a part of such documents. These provisions include, but are not limited to, the following.

1. Notice and Other Information to be given to BAM. The School District will provide BAM with all notices and other information it is obligated to provide under its Continuing Disclosure Certificate and to the Holders of the Insured Obligations or the Trustee under the Security Documents.
2. Amendments, Supplements and Consents. BAM’s prior written consent is required for all amendments and supplements to the Security Documents, with certain limited exceptions. Whenever any Security Document requires the consent of Holders of the Insured Obligations, BAM’s consent shall also be required, and any amendment that adversely affects the rights or interests of BAM shall be subject to BAM’s prior written consent.
3. Control by BAM Upon Default. Anything in the Security Documents to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, BAM shall be entitled to control and direct the enforcement of all rights and remedies granted to the Holders of the Insured Obligations or the Trustee, and BAM shall be deemed to be the sole owner of the Insured Obligations for all purposes, including for purposes of exercising remedies and approving amendments. No default or event of default may be waived without BAM’s written consent.
4. BAM as Third Party Beneficiary. BAM is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of the Security Documents as if it were a party thereto.
5. Payment Procedure Under the Policy; Subrogation. In the event that principal and/or interest due on the Insured Obligations is paid by BAM pursuant to the Policy, the Insured Obligations shall remain outstanding, shall not be defeased or otherwise satisfied and shall not be considered paid by the School District, and BAM shall be subrogated to the rights of the Holders to receive such principal and interest from the School District, with interest thereon as provided in the transaction documents.
6. Additional Payments. The School District agrees, subject to annual appropriation, to pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur in connection with the administration, enforcement, defense or preservation of any rights and remedies in respect of the Security Documents, together with all amounts paid by BAM under the Policy and interest thereon at the Late Payment Rate. Such reimbursement obligations are payable from and secured on a parity with debt service on the Insured Obligations.
7. Lease and Ground Lease Provisions. So long as the Policy is in effect and BAM is not in default of its payment obligations thereunder, BAM shall be deemed to be the sole and exclusive Owner of the Insured Obligations for purposes of all approvals, consents, waivers and the direction of all remedies, and shall be entitled to direct and control the enforcement of all remedies

granted under the Lease and the Ground Lease. No sublease, release, sale, disposition or substitution of any property subject to the Ground Lease or the Lease shall occur without the prior written consent of BAM. The School District represents, warrants and covenants that it has good and marketable fee simple title to the real property comprising the Property, and covenants to maintain such title during the term of the Ground Lease. The School District shall, prior to or simultaneously with the issuance of the Insured Obligations, furnish a title report from a title insurance company acceptable to BAM.

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CERTIFICATES OF PARTICIPATION



\$31,000,000¹

(Dayton City School District, Montgomery County, Ohio School Facilities Project), Series 2026
*Evidencing Proportionate Interests in Base Rent to be Paid by the
Dayton City School District, Montgomery County, Ohio*



¹ Preliminary subject to change