

NEW ISSUE BOOK-ENTRY FORM ONLY

*In the opinion of Bricker & Eckler LLP, Bond Counsel, under existing law, (i) interest on the Series 2013B Bonds is **not** excluded from gross income for federal income tax purposes; (ii) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2013A Bonds 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 and corporations under the Internal Revenue Code of 1986, as amended (the "Code"); and (iii) interest on and any profit made on the sale, exchange or other disposition of the Bonds is exempt from certain taxes levied by the State of Ohio and its political subdivisions. The School District has not designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. Interest on the Series 2013A Bonds may be subject to certain federal income taxes imposed on certain corporations, and certain taxpayers may have certain other adverse federal income tax consequences as a result of owning the Series 2013A Bonds. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.*

OFFICIAL STATEMENT



DUBLIN CITY SCHOOL DISTRICT
Franklin, Delaware and Union Counties, Ohio

\$25,520,000

Various Purpose Bonds, Series 2013A (Tax-Exempt)
(General Obligation-Unlimited Tax)

\$2,830,000

Refunding Bonds, Series 2013B (Taxable)
(General Obligation-Unlimited Tax)

Dated: Date of Delivery

Due: December 1, as shown on the inside cover

The Bonds are voted general obligation debt of the Dublin City School District, Franklin, Delaware and Union Counties, Ohio (the "School District"), and the full faith, credit and revenue of the School District are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds. (See "SECURITY AND SOURCE OF PAYMENT FOR THE SCHOOL DISTRICT'S GENERAL OBLIGATION DEBT" herein.) Terms used herein with initial capitalization where the rules of grammar would not otherwise so require and not defined have the meanings given to them under "DEFINITIONS" herein.

Interest on the Bonds will be payable at the respective rates shown on the inside cover herein on June 1 and December 1 of each year, beginning December 1, 2013, to the Bondholders of record as of the record dates described in the Bond Resolution (as defined herein).

Principal of the Bonds will be payable at the designated office of the Treasurer of the Dublin City School District, as registrar, paying agent and transfer agent for the Bonds.

The Bonds will be issuable as fully registered bonds without coupons in the denominations set forth herein. The Bonds will be issuable under a book-entry only method and registered in the name of The Depository Trust Company ("DTC") or its nominee. There will be no physical delivery of the Bonds to the ultimate purchasers. The Underwriter has satisfied the requirements of DTC for the Bonds to be eligible for its book-entry services. (See "BOOK-ENTRY ONLY SYSTEM" herein.)

The Bonds maturing on or after December 1, 2023 will be subject to optional redemption prior to stated maturity, as set forth herein. (See "THE BONDS – Redemption Provisions" herein.)

The Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale and to withdrawal or modification of the offer without notice.

Certain legal matters relating to the issuance of the Bonds are subject to the approving opinion of Bricker & Eckler LLP, Bond Counsel, Columbus, Ohio. (See "LEGAL MATTERS" and "TAX MATTERS" herein.)

This cover page contains certain information for general reference only. It is not a summary of the provisions of the Bonds. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

This Official Statement has been prepared by the School District in connection with the original offering for sale by it of the Bonds. It is expected that delivery of the Bonds in definitive form will be made through DTC on or about September 17, 2013. The date of this Official Statement is August 14, 2013, and the information herein speaks only as of that date.



DUBLIN CITY SCHOOL DISTRICT
Franklin, Delaware and Union Counties, Ohio

\$25,520,000
Various Purpose Bonds, Series 2013A (Tax-Exempt)
(General Obligation-Unlimited Tax)

\$2,830,000
Refunding Bonds, Series 2013B (Taxable)
(General Obligation-Unlimited Tax)

SERIES 2013A BONDS

Year	Principal Maturing	Interest Rate	Price	CUSIP [†]
2013	\$ 355,000	2.00%	100.359%	26371G QJ2
2014	35,000	2.00	101.800	26371G QK9
2015	35,000	2.00	102.728	26371G QL7
2016	225,000	3.00	106.554	26371G QM5
2017	3,175,000	5.00	115.270	26371G QN3
2018	4,665,000	5.00	116.751	26371G QP8
2019	1,830,000	5.00	117.614	26371G QQ6
2020	4,505,000	5.00	117.323	26371G QR4
2021	1,640,000	5.00	116.823	26371G QS2
2022	1,720,000	5.00	116.153	26371G QT0
2023	1,700,000	5.00	115.181	26371G QU7
2024	1,790,000	5.00	113.481	26371G QV5
2025	1,875,000	5.00	111.898	26371G QW3
2026	1,970,000	5.00	110.342	26371G QX1

SERIES 2013B BONDS

Year	Principal Maturing	Interest Rate	Price	CUSIP
2013	\$ 25,000	2.00%	100.328%	26371G QY9
2014	5,000	2.00	101.496	26371G QZ6
2015	5,000	2.00	102.175	26371G RA0
2016	2,010,000	4.00	108.942	26371G RB8
2017	685,000	4.00	109.508	26371G RC6
2018	100,000	2.10	100.000	26371G RD4

[†] The School District is not responsible for the use of the CUSIP numbers referenced herein nor is any representation made by the School District as to their correctness; such CUSIP numbers are included solely for the convenience of the readers of the Official Statement.

DUBLIN CITY SCHOOL DISTRICT
Franklin, Delaware and Union Counties, Ohio

\$25,520,000
Various Purpose Bonds, Series 2013A (Tax-Exempt)
(General Obligation-Unlimited Tax)

\$2,830,000
Refunding Bonds, Series 2013B (Taxable)
(General Obligation-Unlimited Tax)

BOARD OF EDUCATION

Chris Valentine
President

Gwen Callender
Vice President

Lynn May
Member

Stu Harris
Member

Scott Melody
Member

DISTRICT ADMINISTRATION

Todd F. Hoadley, Ph.D.
Superintendent

Stephen Osborne
Treasurer

PROFESSIONAL SERVICES

Fifth Third Securities, Inc.
Underwriter

Bricker & Eckler LLP
Bond Counsel

Treasurer, Dublin City School District
Paying Agent/Bond Registrar

U.S. Bank National Association
Escrow Trustee

Causey Demgen & Moore P.C.
Escrow Verification Agent

REGARDING THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Various Purpose Bonds, Series 2013A (Tax-Exempt) (the "Series 2013A Bonds"), and Refunding Bonds, Series 2013B (Taxable) (the "Series 2013B Bonds" and, together with the Series 2013A Bonds, the "Bonds") of the Dublin City School District, Franklin, Delaware and Union Counties, Ohio (the "School District"), identified on the Cover hereof. No person has been authorized by the School District to give any information or to make any representations other than those contained in this Official Statement, 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. Statements contained in this Official Statement that involve estimates, forecasts, or matters of opinion, whether or not expressly described herein, are intended solely as such and are not to be construed as representations of facts.

The information set forth herein has been obtained from the School District and other sources that are believed to be reliable for purposes of this Official Statement. This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions or that they will be realized. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the School District since the date hereof.

Certain information in this Official Statement is attributed to the Ohio Municipal Advisory Council ("OMAC"), and OMAC has requested that this paragraph be included in this Official Statement. 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 guarantee its accuracy. OMAC has not reviewed this Official Statement to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

UPON ISSUANCE, THE BONDS WILL NOT BE REGISTERED BY THE SCHOOL DISTRICT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAW OF ANY STATE, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. THE BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, NOR HAS ANY OTHER FEDERAL, STATE, MUNICIPAL OR OTHER GOVERNMENTAL ENTITY OR AGENCY, EXCEPT THE BOARD OF EDUCATION OF THE SCHOOL DISTRICT, PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE BONDS FOR SALE. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF, THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER HEREOF AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

INVESTMENT CONSIDERATIONS

General

The Bonds, like all 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 Bonds could be adversely affected. With regard to the risk involved in a downward revision or withdrawal of one or more of the ratings for the Bonds shown on the Cover, see "RATINGS" herein.

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 Bonds, see "TAX MATTERS" herein.

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

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BOND ISSUE SUMMARY

The information contained in this Bond Issue Summary is qualified in its entirety by the entire Official Statement, which should be reviewed in its entirety by potential investors.

Issuer:	Dublin City School District, Franklin, Delaware and Union Counties, Ohio
Issue:	\$25,520,000 Various Purpose Bonds, Series 2013A (Tax-Exempt) (the "Series 2013A Bonds") \$2,830,000 Refunding Bonds, Series 2013B (Taxable) (the "Series 2013B Bonds," and together with the Series 2013A Bonds, the "Bonds")
Dated Date:	Date of Delivery
Interest Payment Dates:	Interest on Bonds will be paid each June 1 and December 1, beginning December 1, 2013.
Principal Payment Dates:	<u>Series 2013A Bonds</u> : December 1, 2013 through December 1, 2026, both inclusive; <u>Series 2013B Bonds</u> : December 1, 2013 through December 1, 2018, both inclusive
Redemption:	Bonds maturing on or after December 1, 2023 are subject to redemption at the option of the School District, either in whole, or in part, in such order of maturity as the School District shall determine, on any date on or after June 1, 2023, at a redemption price equal to 100% of the principal amount redeemed plus, in each case, accrued interest to the date fixed for redemption. (See "THE BONDS – Redemption Provisions – Optional Redemption" herein.)
Purpose:	The Series 2013A Bonds are being issued for the purpose of (i) expanding, renovating, improving and maintaining existing school buildings and facilities; replacing and refurbishing existing equipment; and upgrading and improving technology and building security enhancements district-wide; and (ii) refunding (a) \$2,670,000 of the outstanding principal amount of the School District's \$21,899,997.90 School Facilities Construction and Improvement Bonds, Series 2005, dated as of July 19, 2005; and (b) \$8,465,000 of the School District's \$19,530,000 School Facilities Construction and Improvement Bonds, Series 2006, dated as of August 22, 2006. The Series 2013B Bonds are being issued for the purpose of advance refunding \$2,835,000 of the outstanding principal amount of the School District's \$59,227,232.50 Refunding Bonds, Series 2005, dated as of February 1, 2005. See "THE BONDS – Authorization and Purpose" herein.
Security:	The Bonds will be voted general obligations of the School District and will contain a pledge of the full faith and credit of the School District for the payment of the principal of and interest on the Bonds when due. (See "SECURITY AND SOURCE OF PAYMENT FOR THE SCHOOL DISTRICT'S GENERAL OBLIGATION DEBT" herein.)
Credit Rating:	The School District has applied for a rating of the Bonds from Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc., which have rated the Bonds Aa1 and AAA, respectively. (See "RATINGS" herein.)
Tax Matters:	In the opinion of Bond Counsel, under existing law, (i) interest on the Series 2013B Bonds is <u>not</u> excluded from gross income for federal income tax purposes, (ii) assuming compliance with certain covenants, interest on the Series 2013A Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of the alternative minimum income tax imposed on individuals and corporations under the Internal Revenue Code of 1986, as amended (the "Code"); and (iii) interest on the Bonds is exempt from certain taxes imposed by the State of Ohio and its political subdivisions. (See "TAX MATTERS" herein.)

Bank Qualification:	The School District has <u>not</u> designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.
Legal Opinion:	Bricker & Eckler LLP, Columbus, Ohio
Underwriter:	Fifth Third Securities, Inc., Columbus, Ohio
Bond Registrar and Paying Agent:	Treasurer, Dublin City School District, Dublin, Ohio
Escrow Trustee:	U.S. Bank National Association, Cincinnati, Ohio
Escrow Verification Agent:	Causey Demgen & Moore P.C., Denver, Colorado
Book-Entry Only System:	The Bonds are being issued as fully registered Bonds in book-entry form only and book-entry interests therein will be available for purchase in amounts of \$5,000 and integral multiples thereof. Owners of book-entry interests will not receive physical delivery of bond certificates. DTC or its nominee will receive all payments with respect to the Bonds from the Bond Registrar. DTC is required by its rules and procedures to remit such payments to its participants for subsequent disbursement to owners of the book-entry interests.
Delivery and Payment:	It is expected that delivery of the Bonds in definitive form will be made through DTC on or about September 17, 2013. The Bonds will be released to the Underwriter against payment in federal funds.
School District Official:	Questions concerning the Official Statement should be directed to Stephen L. Osborne, Treasurer, Dublin City School District, 7030 Coffman Road, Dublin, Ohio 43017. Telephone: (614) 760-4310.

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DUBLIN CITY SCHOOL DISTRICT
Franklin, Delaware and Union Counties, Ohio

\$25,520,000
Various Purpose Bonds, Series 2013A (Tax-Exempt)
(General Obligation-Unlimited Tax)

\$2,830,000
Refunding Bonds, Series 2013B (Taxable)
(General Obligation-Unlimited Tax)

INTRODUCTORY STATEMENT

This Official Statement has been prepared by the Board of Education (the "Board") of the School District in connection with the original issuance and sale by the School District of the Bonds identified on the Cover hereof.

All financial and other information presented herein has been provided by the School District from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the School District. No representation is made that past experience, as might be shown by such financial and other information, will necessarily continue or be repeated in the future.

Certain statements contained in this Official Statement, including, without limitation, statements containing the words "believes," "anticipates," "expects" and words of similar import, involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the School District to be materially different from any future results, performance or achievements expressed or implied by such statements. Such factors include, among others, general economic conditions, demographic changes, and existing government regulations and changes in, or the failure to comply with, government regulations. Certain of these factors are discussed in more detail elsewhere in this Official Statement. Given these uncertainties, readers of this Official Statement and investors are cautioned not to place undue reliance on such forward-looking statements.

This Official Statement should be considered in its entirety and no subject discussed should be considered less important than any other subject by reason of its location in the text. Reference should be made to laws, reports or documents referred to for more complete information regarding their contents.

References herein to provisions of Ohio law, whether codified in the Ohio Revised Code or uncodified, the Ohio Constitution, or federal law, are references to such provisions as they presently exist. Provisions of Ohio law and the Ohio Constitution and federal law may in the future, and from time to time, be amended, repealed or supplemented.

Additional information relating to the financial condition of the School District may be obtained by contacting the Treasurer, Stephen L. Osborne, Treasurer, Dublin City School District, 7030 Coffman Road, Dublin, Ohio 43017, telephone (614) 760-4310, and from the Ohio Department of Education's website: www.ode.state.oh.us. The School District makes no representation as to the accuracy of the information appearing at such website.

DEFINITIONS

The following capitalized terms, as used in this Official Statement and the Appendices attached hereto, have the following meanings unless otherwise indicated:

"Annual Report" means any annual report provided by the School District referred to in this Official Statement and any appendix hereto.

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

"Board" means the Board of Education of the School District.

"Bond Counsel" means Bricker & Eckler LLP, Columbus, Ohio.

"Bond Registrar" means the Treasurer.

"Bonds" means, collectively, the Series 2013A Bonds and the Series 2013B Bonds.

"City" means the City of Dublin, Ohio.

"Code" means the Internal Revenue Code of 1986, as amended.

"County" means Franklin County, Ohio, the dominant county of the School District, as defined by the Revised Code.

"County Auditor" means the County Auditor of the County.

"County Treasurer" means the County Treasurer of the County.

"Cover" means the cover page and the inside cover of this Official Statement.

"Department" means the State Department of Education.

"MSA" means the Columbus Metropolitan Statistical Area, as defined by the United States Office of Management and Budget.

"OMAC" means the Ohio Municipal Advisory Council.

"Series 2005 Construction Bonds" means the School District's \$21,899,977.90 School Facilities Construction and Improvement Bonds, Series 2005, dated as of July 19, 2005, of which \$5,049,977.90 in aggregate principal amount remains outstanding (prior to the refunding of the Refunded Series 2005 Refunding Bonds).

"Series 2005 Refunding Bonds" means the School District's \$59,227,232.50 Refunding Bonds, Series 2005, dated as of February 1, 2005, of which \$9,354,215.90 in aggregate principal amount remains outstanding (prior to the refunding of the Refunded Series 2005 Construction Bonds).

"Series 2006 Bonds" means the School District's \$19,530,000 School Facilities Construction and Improvement Bonds, Series 2006, dated as of August 22, 2006, of which \$16,020,000 in aggregate principal amount remains outstanding (prior to the refunding of the Refunded Series 2006 Bonds).

"Refunded Series 2005 Construction Bonds" means \$2,670,000 in aggregate principal amount of the Series 2005 Construction Bonds, including serial bonds maturing December 1, 2013, December 1, 2021, and December 1, 2022.

"Refunded Series 2005 Refunding Bonds" means \$2,835,000 in aggregate principal amount of the Series 2005 Refunding Bonds, including the serial bond maturing December 1, 2016, and the term bond maturing on December 1, 2018.

"Refunded Series 2006 Bonds" means \$8,465,000 in aggregate principal amount of the Series 2006 Bonds, including the serial bonds maturing December 1, 2013, December 1, 2017, December 1, 2018, and December 1, 2020.

"Refunded Bonds" means, collectively, the Refunded Series 2005 Construction Bonds, Refunded Series 2005 Refunding Bonds, and Refunded Series 2006 Bonds.

"Revised Code" means the Ohio Revised Code, as amended.

"Series 2013A Bonds" means the School District's \$25,520,000 Various Purpose Bonds, Series 2013A (Tax-Exempt), dated as of September 17, 2013.

"Series 2013B Bonds" means the School District's \$2,830,000 Refunding Bonds, Series 2013B (Taxable), dated as of September 17, 2013.

"School District" means the Dublin City School District, Franklin, Delaware and Union Counties, Ohio.

"State" or **"Ohio"** means the State of Ohio.

"State Auditor" means the Auditor of the State.

"State Superintendent" means the State Superintendent of Public Instruction.

"Tax Commissioner" means the Tax Commissioner of the State.

"Treasurer" means the Treasurer of the School District.

"Underwriter" means Fifth Third Securities, Inc., Columbus, Ohio.

THE BONDS

Authorization and Purpose

The Bonds are authorized by two resolutions of the Board passed on June 10, 2013 (together, the "Bond Resolution").

Purpose of the Series 2013A Bonds

The Series 2013A Bonds are unlimited tax general obligations bonds and are being issued for the following purposes:

- (a) a portion of the Series 2013A Bonds (the "New Money Portion") is being issued for the purpose of expanding, renovating, improving and maintaining existing school buildings and facilities; replacing and refurbishing existing equipment; and upgrading and improving technology and building security enhancements district-wide (the "Project"). The electors of the School District approved the issuance of bonds in the amount of \$15,871,610 at the election held on November 6, 2012 for the purpose of financing the Project; and
- (b) a portion of the Series 2013A Bonds (the "Refunding Portion") is issued for the purpose of refunding the Refunded Series 2005 Construction Bonds and the Series 2006 Bonds. The Series 2005 Construction Bonds were issued for the purpose of (i) curriculum implementation district wide including related textbooks, media center improvements, and equipment; repairs and improvements to existing facilities; upgrading computer technology in elementaries, middle schools, and high schools; constructing, furnishing and equipping a new High School on the Hyland-Croy Road site; constructing, furnishing and equipping a new elementary school on the Concord Road Site, with related facilities, appurtenances, and site improvements, and retiring notes previously issued for such purpose; and (ii) renovating, repairing and improving existing school and administrative buildings; constructing, furnishing and equipping a new elementary school, with site improvements and appurtenances thereto, replacing existing equipment and upgrading computer technology district wide; and acquiring land and interests in land, and retiring notes previously issued for such purpose; and the Series 2006 Bonds were issued for the purpose of renovating, repairing and improving existing school and administrative buildings; constructing, furnishing and equipping a new elementary school, with site improvements and appurtenances thereto, replacing existing equipment and upgrading computer technology district wide; and acquiring land and interests in land, and retiring notes previously issued for such purpose.

Purpose of the Series 2013B Bonds

The Series 2013B Bonds are issued for the purpose of advance refunding the Refunded Series 2005 Refunding Bonds. The Series 2005 Refunding Bonds were issued for the purpose of advance refunding a portion of the bonds issued in: (i) December 1995 for the purpose of acquiring and constructing a new elementary school on land owned by the district in the Brandon subdivision, furnishing and equipping the same, providing voice, video, computers and data communications at the Dublin Coffman High School, computers and telecommunication equipment to serve Davis and Sells Middle Schools, and constructing and installing facilities for handicapped accessibility to comply with the federal Americans with Disabilities Act, with future planning fees, and related facilities and appurtenances; and (ii) March 1997, February 1998 and January 1999, all for the purpose of curriculum implementation district wide including related textbooks, media center improvements and equipment; acquiring and installing computer technology in elementaries, middle schools and related technology improvements district wide; acquiring

land or interests in land for a future proposed high school; constructing a middle school on the Wyndham Village site; a music room at Davis Middle School; a maintenance facility, repairs and improvements to existing facilities, gymnasium improvements and an auxiliary gymnasium addition at Coffman High School; an auditorium, wrestling room, weight room and increased stadium seating and related improvements at Scioto High School; with related equipment, facilities, appurtenances, and site improvements at all district facilities.

The Bonds are issued in conformity with Revised Code Chapter 133, and are, therefore, lawful investments for banks, savings and loan associations, credit union share guaranty corporations, trust companies, trustees, fiduciaries, insurance companies, including domestic for life and domestic not for life, trustees or other officers having charge of sinking and bond retirement or other funds of the State, subdivisions and taxing districts, the Commissioners of the Sinking Fund of the State, the Administrator of Workers' Compensation, the State teachers, public employees, and school employees retirement systems, and the police and firemen's disability and pension fund, and are eligible as security for the repayment of the deposit of public moneys.

A portion of the proceeds of the sale of the Bonds will be deposited in an escrow fund (the "Escrow Fund") within the School District's bond retirement fund and will be used to advance refund the Refunded Bonds. The Escrow Fund will be held by the U.S. Bank National Association, Cincinnati, Ohio, as escrow trustee (the "Escrow Trustee"). Monies in the Escrow Fund will be invested in direct obligations of the United States of America and applied, by the Escrow Trustee, to pay debt service on the Refunded Bonds and to redeem the Refunded Bonds on their earliest optional redemption date.

Under Ohio law, (i) the maximum maturity of the New Money Portion of the Series 2013A Bonds is 13 years, and the final maturity of the Refunding Portion of the Series 2013A Bonds cannot be later than the final maturity of the Refunded Series 2005 Construction Bonds and the Refunded Series 2006 Bonds (December 1, 2022); and (ii) the final maturity of the Series 2013B Bonds cannot be later than the final maturity of Refunded Series 2005 Refunding Bonds (December 1, 2018).

Form and Terms

The Bonds will be issued in fully registered form and the Bonds (as shown on the Cover hereof) will bear interest from their dated date until maturity or earlier redemption, at the rates per annum as set forth on the Cover hereof, payable on June 1 and December 1 of each year, and will mature on December 1 in the years as indicated on the Cover of this Official Statement. The Bonds will be issued in denominations of \$5,000 or any integral multiple thereof, provided that, so long as the Bonds shall be in book-entry form and held by a depository, each Bond will be of a single maturity, and will be numbered as determined by the Treasurer.

Principal of the Bonds (as shown on the Cover hereof) will be payable at maturity, in lawful money of the United States of America, at the office of the Treasurer, who has been designated by the Board as bond registrar, paying agent, and transfer agent for the Bonds (the "Bond Registrar"). Interest on the Bonds will be payable to the person whose name appears as the registered holder thereof on the registration records maintained by the Bond Registrar, on the respective Record Date (15th day next preceding an interest payment date) by check mailed to such registered holder at the address of such registered holder as it appears on the registration records. No deduction shall be made for exchange, collection, or service charges.

Redemption Provisions

Optional Redemption

The Bonds maturing on or after December 1, 2023 are subject to redemption at the option of the School District, either in whole, or in part, in such order of maturity as the School District shall determine, on any date on or after June 1, 2023, at a redemption price equal to 100% of the principal amount redeemed plus, in each case, accrued interest to the date fixed for redemption.

When partial redemption is authorized, the Bonds or portions thereof will be selected by lot within a maturity in such manner as the Bond Registrar may determine, provided, however, that the portion of any such Bond so selected will be in the amount of \$5,000 or any integral multiple thereof.

The notice of the call for redemption of Bonds shall identify (i) by designation, letters, numbers or other distinguishing marks, such Bonds or portions thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption, and (iv) the place or places where the amounts due upon redemption are payable. From and after the specified redemption date, interest on such Bonds (or portions thereof) called for redemption shall cease to accrue. Such notice shall be sent by first class mail to each such registered holder at the address shown in the Bond registration records at least 30 days prior to the redemption date. Failure to receive such notice or any defect therein shall not affect the validity of the proceedings for the redemption of any such Bond.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Bonds, other than accrued interest, if any (which will be deposited in the School District's bond retirement fund and used to pay interest on the Bonds), will be applied as follows:

Sources

Par value of the Series 2013A Bonds	\$25,520,000.00
Par value of the Series 2013B Bonds	2,830,000.00
Original issue premium	<u>4,111,669.90</u>

Total Sources	<u>\$32,461,669.90</u>
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Uses

Deposit to Project Fund	\$15,870,000.00
Deposit to Escrow Fund to refund the Refunded Bonds	15,411,816.55
Deposit to bond retirement fund (capitalized interest)	887,108.06
Costs of Issuance*	<u>292,745.29</u>

Total Uses	<u>\$32,461,669.90</u>
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* Includes Underwriter's compensation, rating fees, printing and distribution costs, escrow and verification agent fees, legal fees, and miscellaneous expenses.

SECURITY AND SOURCE OF PAYMENT FOR THE SCHOOL DISTRICT'S GENERAL OBLIGATION DEBT

The Bonds are voted general obligation debt of the School District, payable from the sources described, subject to Chapter 9 of the Bankruptcy Code and other laws affecting creditors' rights. The basic security for payment of the Bonds is the requirement that the School District levy ad valorem property taxes outside the ten-mill limitation (which limitation is further described in APPENDIX A under "SCHOOL DISTRICT DEBT AND DEBT LIMITATIONS"), which taxes are unlimited as to rate and amount, to the extent necessary to pay the anticipated debt service on the Bonds as the same becomes due, and to the extent that such debt service on the Bonds is not paid from other sources.

Such taxes can be expended only for the purpose of paying the anticipated debt service on the Bonds (together with costs of issuing the Bonds) and since such taxes are unlimited as to rate or amount, the rate of millage actually levied in each year while the Bonds are outstanding will be such as is determined to be necessary by the County Auditor to produce the amount necessary to pay debt service on the Bonds due in that year, giving due consideration to the School District's assessed valuation and previous tax collection experience.

The Bonds are also secured by a pledge of the full faith and credit of the School District. This pledge includes all of the funds of the School District, except those prohibited from use by the Ohio Constitution, State or federal law, or specifically limited to another use. (See "SCHOOL DISTRICT DEBT AND DEBT LIMITATIONS – Statutory Debt Limitations Generally" in APPENDIX A.)

In addition to the right of individual bondholders to sue upon their particular Bonds, State law authorizes the holders of not less than 10% in principal amount of the Bonds to bring mandamus or other actions to enforce all contractual or other rights of the bondholders, including the right to require the School District to levy, collect and apply the taxes to pay debt service on the Bonds, and in the case of any default in payment of debt service on the Bonds, to bring an action to require the School District to account as if it were the trustee of an express trust for the bondholders or to enjoin any acts that may be unlawful or in violation of bondholder rights.

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 insolvent¹, 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.² 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.

¹ 11 U.S.C. Section 101(32)(C) requires that in order to be "insolvent" a school district must not be paying its debts as they come due.

² See 11 U.S.C. Section 109(c)(2).

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.

UNDERWRITING

Fifth Third Securities, Inc. (the "Underwriter") has agreed, pursuant to the Bond Purchase Agreement with the School District dated August 14, 2013 (the "Purchase Agreement"), to purchase all, but not less than all, (i) of the Series 2013A Bonds at a purchase price of \$29,250,477.61 (the "2013A Bonds Purchase Price"), which is equal to the par amount of the Series 2013A Bonds (\$25,520,000.00), plus original issue premium (\$3,866,540.35), less Underwriter's discount (\$136,062.74); and (ii) of the Series 2013B Bonds at a purchase price of \$3,059,753.90 (together with the 2013A Bonds Purchase Price and the 2013B Bonds Purchase Price, the "Purchase Price"), which is equal to the par amount of the Series 2013B Bonds (\$2,830,000.00), plus original issue premium (\$245,129.55), less Underwriter's discount (\$15,375.65).

The Underwriter is purchasing the Bonds as originally issued for purpose of resale. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers (including dealer banks and dealers depositing the Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriter), and others at prices lower than the public offering prices noted on the Cover. The initial offering prices of the Bonds may be changed, from time to time, by the Underwriter.

The Underwriter will retain \$141,306.90 from the Purchase Price to pay certain costs of issuance of the Bonds on behalf of the School District, including rating fees, printing and distribution costs, escrow and verification agent fees, legal fees, and other miscellaneous expenses.

The obligation of the Underwriter to accept delivery of the Bonds is subject to the various conditions set forth in the Purchase Agreement. The Underwriter is obligated to purchase all of the Bonds if any of the Bonds are purchased.

RATINGS

As noted on the Cover, the School District has applied for a rating of the Bonds from Moody's Investors Service, Inc. ("Moody's"), and Standard & Poor's Ratings Services ("Standard & Poor's"), a division of The McGraw Hill Companies, Inc., which have rated the Bonds Aa1 and AAA, respectively. No application for a rating has been made to any other rating agency.

The ratings reflect only the views of such rating agency. Any explanation of the significance of the rating may only be obtained from such respective rating agency at Moody's Investors Service, Inc., 7 World Trade Center, New York, New York 10007, telephone (212) 553-0300, website: www.moody.com; and Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc., 55 Water Street, New York, New York 10041, telephone (212) 438-2000, website: www.standardandpoors.com.

The School District furnished to the rating agencies certain information and materials, some of which may not have been included in this Official Statement, relating to the Bonds and the School District. Generally, rating agencies base their ratings on such information and materials, as well as investigation, studies and assumptions by the rating agencies. Such ratings are not recommendations to buy, sell or hold the Bonds.

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 agency if, in the rating agency's judgment, circumstances so warrant. In addition, the School District currently expects to provide to the rating agencies (but assumes no obligation to furnish to the Underwriter or the holders of the Bonds) further information and materials that it or they may request. However, the School District does not obligate itself hereby to furnish such information and materials to the rating agencies, and the School District may issue unrated bonds and notes from time to time. Failure by the School District to furnish such information and materials, or the issuance of unrated bonds or notes, may result in the suspension or withdrawal of a rating agency's rating on the Bonds. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the marketability or market price of the Bonds.

LITIGATION

Litigation Generally

To the knowledge of the appropriate officials of the School District, no litigation or administrative action or proceeding is pending or threatened restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, or the levy and collection of taxes to pay the debt service on the Bonds, or contesting or questioning the proceedings and authority under which the Bonds are to be authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds. A no-litigation certificate to such effect will be delivered to the Underwriter at the time of original delivery of the Bonds to the Underwriter.

In common with other political subdivisions, the School District from time to time receives notices of claims for money damages. In the opinion of School Board officials, any such claims outstanding, regardless of their merit, are not in excess of the School District's insurance coverage.

The School District is party to various legal proceedings seeking damages or injunctive relief and generally incidental to its operations. These proceedings are unrelated to the Bonds or the security therefor. The ultimate disposition of such proceedings is not presently determinable, but will not, in the opinion of School Board officials, have a material adverse effect on the Bonds or the security therefor.

School Funding Litigation

In 1997, the Ohio Supreme Court determined in the case of DeRolph v. State of Ohio that Ohio's elementary and secondary public school financing system violated the Ohio Constitution. Included in the DeRolph decision was a ruling that property taxes may be used as a part of a school funding solution, but could no longer be the primary means of financing schools. In 2003, the Ohio Supreme Court effectively prohibited further judicial review of the DeRolph case and the United States Supreme Court denied the plaintiffs' Petition for Writ of Certiorari, without opinion.

Throughout its rulings the Ohio Supreme Court did not specifically address, and did not hold as invalid:

Voted securities issues (bonds and notes previously issued and bond issues that may be placed on the ballot in the future) and the debt service levy included within such voted authority.

Unvoted securities issues (bonds and notes previously issued and future bond and note issues), issued for the purpose of constructing permanent improvements or capital facilities, and the debt service levy included within such authority.

Voted levies (property taxes or income taxes). The decisions did not address the current authority of school districts to levy and collect operating levies, and the decisions do not prevent school districts from approving additional levies.

LEGAL MATTERS

Legal matters incident to the issuance of the Bonds and with regard to the excludability from gross income for federal income tax purposes of the interest thereon (see "TAX MATTERS" herein) are subject to the approving opinion of Bricker & Eckler LLP, Bond Counsel to the School District. A signed copy of that opinion will be delivered to the Underwriter at the time of original delivery. Assuming no change in applicable law prior to the date of delivery of such opinion, the opinion will be substantially in the form attached hereto as APPENDIX D. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of the Official Statement 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 the date thereof.

While Bond Counsel has participated in the preparation of portions of this Official Statement, 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 of the statements in this Official Statement, including its appendices (other than APPENDIX D), or in any other reports, financial information, offering or disclosure documents or other information pertaining to the School District or the Bonds that may be prepared or made available by the School District or others to the holders of the Bonds or others.

TAX MATTERS

Series 2013A Bonds

In the opinion of Bricker & Eckler LLP, Bond Counsel, under existing law, interest on the Series 2013A Bonds is excluded from gross income for federal income tax purposes under Section 103(a) of the Code and is not treated as an item of tax preference under Section 57 of the Code for purposes of the alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest on the Series 2013A Bonds is taken into account in determining adjusted current earnings. Further, the Series 2013A Bonds are not "private activity bonds" as defined in Section 141(a) of the Code.

Interest on the Series 2013A Bonds, the transfer thereof, and any profit made on their sale, exchange or other disposition, 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 in Ohio.

Bond Counsel will express no opinion and make no representation regarding other federal, state or local income tax consequences resulting from the receipt or accrual of interest on the Series 2013A Bonds. The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications made by the Board and others, and the compliance with certain covenants of the School District, to be contained in the transcript of proceedings and which are intended to evidence and assure the foregoing, including that the Series 2013A Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel has not and will not independently verify the accuracy of such certifications and representations.

The School District has **not** designated the Series 2013A Bonds as "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and remain excluded from gross income for federal income tax purposes some of which, including provisions for the rebate by the School District of certain investment earnings to the federal government, require future or continued compliance after issuance of the obligations in order for the interest to be and continue to be so excluded from the date of issuance. Noncompliance with these requirements could cause the interest on the Series 2013A Bonds to be included in gross income for federal income tax purposes and thus to be subject to regular federal income tax retroactively to the date of their issuance. The School District has covenanted to take such actions that may be required of it for the interest on the Series 2013A Bonds to be and remain excluded from gross income for federal income tax purposes, and not to take any actions which would adversely affect that exclusion.

Under the Code, interest on the Series 2013A Bonds may be subject to a branch profits tax imposed on certain foreign corporations doing business in the United States of America, and a tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes can have certain adverse federal income tax consequences on items of income or deductions for certain taxpayers, including among them financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, and those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these or other tax consequences will depend upon the particular tax status or other items of income and expenses of the holders of the Series 2013A Bonds. Bond Counsel will express no opinion and make no representation regarding such consequences.

From time to time, legislative proposals are pending in the United States Congress that would, if enacted, alter or amend one or more of the federal tax matters referred to above in certain respects or would adversely affect the market value of the Series 2013A Bonds. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Series 2013A Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2013A Bonds will not have an adverse effect on the tax status of interest or other income on the Series 2013A Bonds or the market value or marketability of the Series 2013A Bonds. Prospective purchasers of the Series 2013A Bonds should consult their own tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, as to all of which Bond Counsel expresses no opinion.

Series 2013B Bonds

General

In the opinion of Bricker & Eckler LLP, Bond Counsel, under existing law, interest on the Series 2013B is **not** excluded from gross income for federal income tax purposes. Interest and any profit made on their sale, exchange, transfer or other disposition are exempt from the Ohio personal income tax, the net income base of the Ohio corporate franchise tax, and income taxes imposed by municipalities and other political subdivisions in Ohio. Interest on the Series 2013B Bonds, as is the case with most other forms of interest on debt obligations, is not subject to the Ohio commercial activity tax. 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 2013B Bonds. OWNERS OF THE SERIES 2013B BONDS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS AS TO THE FEDERAL, STATE AND LOCAL, AND FOREIGN TAX CONSEQUENCES OF THEIR ACQUISITION, OWNERSHIP AND

DISPOSITION OF THE SERIES 2013B BONDS. The owners of the Series 2013B Bonds are not entitled to a tax credit as a result of ownership of the Series 2013B Bonds. The legal defeasance of the Series 2013B Bonds (if undertaken by the School District) may result in a deemed sale or exchange of the Series 2013B Bonds under certain circumstances; owners of the Series 2013B Bonds should consult their tax advisors as to the federal income tax consequences of such an event.

Backup Withholding

General information reporting requirements will apply to payments of principal and interest made on a Series 2013B Bond and the proceeds of the sale of a Series 2013B Bond to non-corporate holders of the Series 2013B Bonds, and "backup withholding" at a rate of 28% will apply to such payments if the owner fails to provide an accurate taxpayer identification number in the manner required or fails to report all interest required to be shown on its federal income tax returns. A beneficial owner of a Series 2013B Bond that is a United States owner can obtain complete exemption from backup withholding by providing a properly completed IRS Form W-9 (Request for Taxpayer Identification Number and Certification).

Nonresident Owners

Under the Code, interest on any Series 2013B Bond whose beneficial owner is a nonresident alien, foreign corporation or other non-United States person (Nonresident) is generally not subject to United States income tax or withholding tax (including backup withholding) if the Nonresident provides the payor of interest on the Series 2013B Bonds with an appropriate statement as to its status as a Nonresident. This statement can be made on IRS Form W-8BEN or a successor form. If, however, the Nonresident conducts a trade or business in the United States and the interest on the Series 2013B Bonds held by the Nonresident is effectively connected with such trade or business, that interest will be subject to United States income tax but will generally not be subject to United States withholding tax (including backup withholding).

Amortizable Bond Premium

Certain of the Bonds may be sold at issue prices greater than the principal amount payable at maturity or earlier call date (the "Premium Bonds"). The following information, which has not been included in the opinion of Bond Counsel, may be helpful to prospective purchasers of the Premium Bonds.

Premium Bonds will be considered to be issuable with amortizable bond premium (the "Bond Premium"). A taxpayer who acquires a Premium Bond in the initial public offering will be required to adjust his or her basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. The amount of amortizable Bond 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 Bond Premium and (ii) the amount amortizable in a particular year are set forth at Section 171(b) of the Code.

With respect to any Series 2013A Bonds that are Premium Bonds ("Series 2013A Premium Bonds"), no income tax deduction for the amount of amortizable Bond Premium will be allowed to a holder pursuant in Section 171(a)(2) of the Code, but such holder may reduce their basis in the Series 2013A Bonds by the amount of such amortizable Bond Premium. The amortization of Bond 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 Series 2013A Premium Bonds. A purchaser of a Series 2013A Premium Bond at its issue price in the initial public offering who holds that Premium Bond to maturity will realize no gain or loss upon the retirement of such Premium Bond.

With respect to the Series 2013B Bonds that are Premium Bonds ("Series 2013B Premium Bonds"), a holder of a Series 2013B Premium Bond may use the amortizable Bond Premium as an offset to any interest payment received in respect to such Series 2013B Premium Bond, however, any portion of such amortizable Bond Premium in excess of such interest is not deductible from gross income as an itemized deduction. Special rules governing the treatment of Bond Premium, which are applicable to dealers in tax-exempt securities, are found at Section 75 of the Code.

PROSPECTIVE PURCHASERS OF THE DISCOUNT OR PREMIUM BONDS 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.

VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS

Upon delivery of the Bonds, Causey Demgen & Moore Inc., certified public accountants (the "Verification Agent") will deliver reports on the arithmetical accuracy of certain computations contained in schedules provided to them by the Underwriter on behalf of the School District relating to (a) computation of forecasted receipts of principal and interest on the securities held in the Escrow Fund to refund the Refunded Bonds and (b) computation of the yields on the Bonds and the securities held in the Escrow Fund to refund the Refunded Bonds.

Such computations will be based solely on assumptions and information supplied by the Underwriter on behalf of the School District, and the Verification Agent has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information on which such computations are based. Accordingly, the Verification Agent has not expressed an opinion on the data used, the reasonableness of the assumptions, or the ability to achieve the forecasted outcome.

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning the Depository Trust Company, New York, New York ("DTC") and DTC's book-entry only system has been obtained from DTC and the School District takes no responsibility for the completeness or accuracy thereof. The School District cannot and does not give any assurances that DTC, Direct Participants or Indirect Participants will distribute to the Beneficial Owners (each as hereinafter defined) (a) payments of interest, principal, or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its partnership nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, Direct Participants or Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds 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 Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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 rating of AA+ from Standard & Poor's. 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 and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 Bonds 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 the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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.

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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bonds. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds 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 Bond Registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the Bonds 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 Bond Registrar, on 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 Bond 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 dividend payments 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 Bond 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.

Revision of Book-Entry Only System - Replacement Bonds

The Bond Resolution provides for issuance of fully registered Bonds (the "Replacement Bonds") directly to owners other than DTC or its nominee only if DTC determines not to continue to act as security depository of the Bonds. In such event, the School District may in its discretion establish a securities depository/book entry relationship with another qualified securities depository. If the School District does not or is unable to do so, and after appropriate notice to DTC, the School District's Bond Registrar will authenticate and deliver fully registered Replacement Bonds, in the denominations of \$5,000 or any multiple thereof, to or at the direction of and, if the event is not the result of School District action or inaction, at the expense (including printing costs) of, any persons requesting such issuance. Replacement Bonds may be transferred, registered and assigned only in the registration books of the School District's Bond Registrar.

TRANSCRIPT AND CLOSING DOCUMENTS

A complete transcript of proceedings for the Bonds, including an appropriate no-litigation certificate (described above under "LITIGATION"), will be delivered by the School District when the Bonds are delivered by the School District to the Underwriter. The School District will at that time also provide to the Underwriter a certificate of the Treasurer, in the form attached hereto as APPENDIX E, addressed to the Underwriter relating to the accuracy and completeness of this Official Statement.

CONTINUING DISCLOSURE

The School District has agreed for the benefit of the holders and beneficial owners of the Bonds to provide annual financial and operating information in its Annual Report, not later than December 1 of each year, and to provide notices of certain events, if material. Concurrently with the delivery of the

Bonds, the School District will deliver a certificate of the Treasurer of the School District (the "Disclosure Certificate"), in the form attached hereto as APPENDIX F, describing the nature of the information to be provided, the persons and entities to whom such information will be provided and the times at which such information will be provided. The School District's failure to comply with any undertaking contained in the Disclosure Certificate will not constitute an event of default under the Bonds. The School District has never failed to comply in all material respects with the undertakings contained in continuing disclosure certificates delivered by the School District in connection with notes or bonds heretofore offered by the School District.

The Disclosure Certificate is being executed by the School District to assist the Underwriter in complying with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission. Specifically, the School District agrees to provide the Annual Report to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format, if required, and to provide notice of the enumerated events to the MSRB in an electronic format, if required.

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement 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 such statements will be realized. Information herein has been derived by the School District from official and other sources and is believed by the School District to be reliable, but information other than that obtained from official records of the School District has not been independently confirmed or verified by the School District and its accuracy is not guaranteed.

Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as or as part of a contract with the original purchasers or holders of the Bonds.

This Official Statement has been duly prepared and delivered by the School District, and executed for and on behalf of the School District by the President and the Treasurer of the Board.

DUBLIN CITY SCHOOL DISTRICT
FRANKLIN, DELAWARE AND UNION COUNTIES, OHIO

By: /s/ Chris Valentine
President, Board of Education

By: /s/ Stephen Osborne
Treasurer, Board of Education

THE DUBLIN CITY SCHOOL DISTRICT

GENERAL INFORMATION

Introduction

The School District serves an area of approximately 49 square miles in and around the City of Dublin, Ohio (the "City"). The School District is located in Franklin, Delaware and Union Counties, approximately sixteen miles north and northwest of downtown Columbus, the state capital. The City is a rapidly growing suburb of Columbus. Founded in the early 1800's, and until the late 1970's primarily a farming community, the historic village was elevated to city status in September 1987. The City now contains several middle and upper income residential areas as well as considerable new commercial and industrial development. The City's official population in 1970 was 671 residents and, according to OMAC, the School District's population for 7,670. According the U.S. Bureau of the Census, the School District's population was 77,648 in 2010.

The City is easily reachable from most other portions of the Greater Columbus area and hence has become attractive to both businesses and homeowners. Three direct I-270 interchanges provide convenient entry to all parts of the City while State Route 161 and U.S. 33 enter the City from the east and west.

The School District has an enrollment of approximately 14,672 students in grades pre-kindergarten through twelve. The School District's facilities include 12 elementary schools, four middle schools, and three high schools. The School District offers a comprehensive and advanced curriculum and a wide selection of extracurricular activities at all levels.

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, nor under the control of, the County or the City.

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According to information supplied by OMAC, the School District contains portions of the assessed valuation of other subdivisions, as shown below:

Overlapping Subdivisions
Dublin City School District

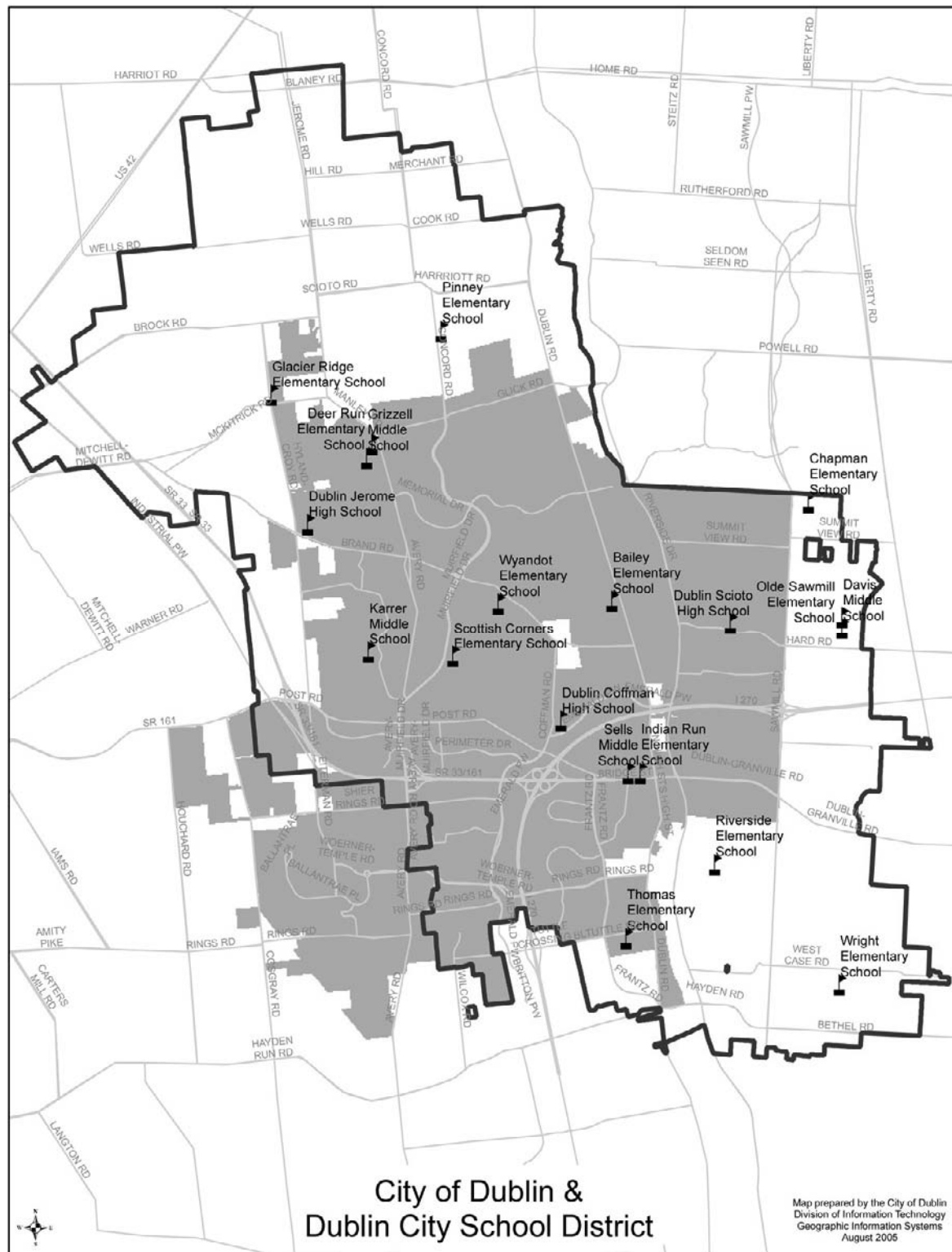
Subdivision	Percent of Subdivision's Assessed Valuation Within the School District	Percent of School District's Assessed Valuation Within the Subdivision
<u>Counties</u>		
County of Franklin	8.91%	80.16%
County of Delaware	6.53	13.86
County of Union	12.86	5.98
<u>Other Subdivisions</u>		
Washington Township	90.28%	0.11%
City of Dublin	91.34	61.38
City of Columbus	5.53	27.73
Concord Township	40.64	5.96
Jerome Township	36.68	2.81
Village of Shawnee Hills	100.00	0.98
Perry Township	9.56	0.48
Norwich Township	0.72	0.24
City of Upper Arlington	0.45	0.24
City of Hilliard	0.24	0.07
Central Ohio Transit Authority	9.31	--
Columbus Metro. Library	12.79	--
Delaware Co. Health District	3.69	--
Delaware Co. Library District	8.64	--
Delaware County 911	3.69	--
Delaware/Morrow Co. Mental Health District	5.88	--
Jerome Fire District	38.58	--
Metro Columbus-Franklin Co. Park District	8.91	--
Preservation Park District of Delaware County	6.53	--
Rickenbacker Port Authority	8.92	--
Solid Waste Authority of Central Ohio	9.61	--
Tolles Career & Technical Center JVSD	44.84	--
Union County Health District	6.36	--
Upper Arlington Library District	0.45	--

Source: Ohio Municipal Advisory Council

Map of Geographic Area



School District Boundaries



– Shaded area indicates the City of Dublin.

Win-Win Agreement

In 1955, Ohio law governing school district territory transfers was changed to eliminate the previously existing requirement that school district territory transfers automatically follow municipal annexations. Over time in Central Ohio, this resulted in significant amounts of land being in a "common area" (in the City of Columbus for municipal purposes, but in suburban school districts for educational purposes). In 1986, Ohio law was again changed to permit negotiated agreements regarding transfers of school district territory following municipal annexations, when at least one urban school district is involved.

The agreement for Central Ohio (commonly referred to as the "Win-Win Agreement") includes the following school districts that have territory in the City of Columbus: Columbus City, Canal Winchester Local, Dublin City, Gahanna-Jefferson City, Groveport Madison Local, Hamilton Local, Hilliard City, New Albany • Plain Local, South-Western City, Westerville City, and Worthington City¹. The Win-Win Agreement contains the following key provisions:

- (1) Existing "common area" will remain permanently in the suburban school districts;
- (2) Unincorporated land located in suburban school districts which may be annexed to the City of Columbus will, with a few exceptions, be automatically transferred to the Columbus City School District; and
- (3) Property taxes resulting from construction of new commercial and industrial property in the "common area" will be shared on an equal basis between the suburban school districts and the Columbus City School District.

For detailed information regarding the percentages of the assessed valuation of the School District in overlapping political subdivisions, see the table captioned "Overlapping Subdivisions" under "GENERAL INFORMATION" and "SCHOOL DISTRICT DEBT AND DEBT LIMITATIONS – Overlapping Subdivision Indebtedness" herein.

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¹ The Worthington City School District is a party to the collaborative provisions, but not the territorial provisions, of the Win-Win Agreement.

School District Officials

The legislative power of the School District is vested in the Board of Education (the "Board"), consisting of five members elected at large for staggered four-year terms. Regular meetings of the Board are held the second and fourth Tuesdays of each month unless scheduled otherwise. At the first meeting of each year, the Board elects a president and a vice president from its membership, each to serve a one-year term. The Board employs a Superintendent who serves as the executive officer for the Board and a Treasurer who serves as the chief fiscal officer for the Board.

School District Officials Dublin City School District

Official	Office	Expiration of Current Term	Beginning of Tenure
Chris Valentine	Board President	12/31/2015	1/1/2004
Gwen Callender	Board Vice President	12/31/2013	1/1/2006
Stu Harris	Board Member	12/31/2013	1/1/2006
Lynn May	Board Member	12/31/2013	1/1/2006
Scott Melody	Board Member	12/31/2015	1/1/2008
Todd F. Hoadley, Ph.D.	Superintendent	Contract	8/1/2013
Stephen Osborne	Treasurer	Contract	8/1/2007

School District Employees

The School District currently has 1,115 certificated employees and 641 classified employees. In fiscal year 2012, salaries accounted for 67.81% of the School District's operating expenditures, while fringe benefits accounted for 23.43% of the School District's operating expenditures.

Certified Staff

The teaching or certified staff is represented by the Dublin Educators' Association (D.E.A.) which is affiliated with the Ohio Education Association (O.E.A.), and the National Education Association (N.E.A.). The Board has bargained with the D.E.A. since 1986. In May 2010, the Board and the D.E.A. signed a three-year agreement effective August 1, 2010 and expiring on June 30, 2013. The settlement granted the certified staff annual salary increases of 1.00%, 1.25%, and 1.5% in August of 2010, 2011, and 2012, respectively. In May 2011, the D.E.A. agreed to a concession of foregoing 66% of all raises for the 2011-2012 fiscal year, including the scheduled 1.25% raise and any step increases.

The D.E.A. recently agreed to roll the existing agreement for an additional year, to expire on June 30, 2014, with no salary increase.

Classified Staff

Classified staff includes secretarial, clerical, custodial and cafeteria workers, as well as bus drivers and other non-teaching, non-administrative personnel.

In June 2010, the Board entered into a three-year agreement effective July 1, 2010 and expiring on June 30, 2013, with the Dublin Support Association, a group affiliated with the Ohio Association of Public School Employees (O.A.P.S.E.). The settlement granted the classified staff annual salary increases

of 1.00%, 1.25%, and 1.5% in 2010, 2011, and 2012, respectively. In June 2011, the D.S.A. agreed to a concession of foregoing the 1.25% raise scheduled for the 2011-2012 fiscal year.

The D.S.A. recently agreed to roll the existing agreement for an additional year, to expire on June 30, 2014, with no salary increase.

Pension Obligations

Present and retired employees of the School District are covered under two statewide public retirement (including disability retirement) systems. The State Teachers Retirement System (the "STRS") is applicable to all teachers, principals, supervisors and administrators employed by the School District who are required to hold a certificate issued by the Department pursuant to the Revised Code. Other eligible employees are covered by the School Employees Retirement System (the "SERS"). 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 employee and employer contributions each equal to 1.45% of the employee's wages subject to the Federal Insurance Contribution Act (FICA) wage limit. Otherwise, School District employees are not presently covered under the Federal Social Security Act.

Employees covered by STRS and SERS contributed at a statutory rate of 10.0% of earnable compensation. Member contributions for employees covered by STRS will increase by 1% per year beginning July 1, 2013 through July 1, 2016. As the employer, the School District's statutory contribution rate for those employees was 14.0% of the same base. These employee and employer contribution rates are the maximums permitted under current State law.

STRS and SERS are not presently 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 State legislature could determine to amend the format of either system and could revise rates or methods of contribution to be made by the School District into the pension funds and revise benefits or benefits levels.

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School District Facilities

The School District presently operates the following schools:

Current School District Facilities Dublin City School District

Name of Building	Group/ Grades Housed	Enrollment (2012 – 2013)	Capacity	Number of Teachers	Pupil/ Teacher Ratio	Year Building Completed
Indian Run Elementary	K-5	678	575	39	17.4	1960
Deer Run Elementary	K-5	498	400	30	16.6	1980
Olde Sawmill Elementary	K-5	394	400	24	16.4	1981
Riverside Elementary	K-5	463	400	30	15.4	1984
Scottish Corners Elementary	K-5	597	550	32	18.7	1987
Thomas Elementary	Pre-K-5	693	550	38	18.2	1988
Wyandot Elementary	Pre-K-5	572	550	34	16.8	1988
Chapman Elementary	Pre-K-5	613	550	33	18.6	1989
Wright Elementary	Pre-K-5	579	550	37	15.6	1989
Bailey Elementary	Pre-K-5	534	550	30	17.8	1996
Pinney Elementary	Pre-K-5	607	550	30	20.2	2002
Glacier Ridge Elementary	K-5	548	550	30	18.3	2006
Sells Middle School	6-8	915	1,000	61	15.0	1985
Davis Middle School	6-8	919	900	65	14.1	1988
Grizzell Middle School	6-8	716	800	50	14.3	1994
Karrer Middle School	6-8	805	900	61	13.2	1999
Dublin Coffman High School	9-12	1,932	2,000	130	14.9	1971
Dublin Scioto High School	9-12	1,243	1,200	88	14.1	1995
Jerome High School	9-12	1,356	1,200	92	14.7	2004
Total		14,662	14,175	934	15.7	

Source: Dublin City School District

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Enrollment

The daily average enrollments for past school years, together with projected enrollments for future school years, are shown below.

Actual and Projected Enrollment Dublin City School District

Grade	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14*	2014-15*	2015-16*
Pre-K	150	156	158	173	159	163	163	163
K	921	929	965	986	1,004	999	972	1,020
1	1,032	1,071	1,046	1,084	1,128	1,137	1,130	1,105
2	1,046	1,078	1,092	1,065	1,100	1,149	1,157	1,151
3	1,008	1,088	1,096	1,135	1,094	1,132	1,180	1,190
4	1,064	1,018	1,085	1,123	1,153	1,111	1,148	1,199
5	1,131	1,086	1,034	1,113	1,138	1,172	1,129	1,167
6	1,030	1,162	1,118	1,087	1,110	1,165	1,199	1,156
7	1,028	1,038	1,184	1,141	1,124	1,137	1,192	1,226
8	1,076	1,065	1,067	1,176	1,121	1,124	1,137	1,192
9	1,053	1,123	1,113	1,129	1,230	1,174	1,177	1,190
10	1,070	1,053	1,130	1,091	1,109	1,218	1,162	1,165
11	963	1,032	1,011	1,089	1,060	1,071	1,180	1,124
12	1,024	1,001	1,060	1,012	1,078	1,060	1,071	1,180
Other	47	57	68	64	54	62	62	62
Totals	13,643	13,957	14,227	14,468	14,662	14,874	15,059	15,290

Source: Dublin City School District

Community School

The School District does not serve as a sponsor for a community school established under Revised Code Chapter 3314.

Open Enrollment

The School District does not have open enrollment.

* Projected

Educational Program

Curriculum in the School District is regularly revised to meet student needs as well as to comply with State mandates. Historically, the School District has offered students a strong program of basic academic subjects. During the last three years, major curriculum revisions were undertaken in the areas of Language Arts, Mathematics, and Science. Ohio's standards-based achievement tests are administered to students in grades 3, 4, 5, 6, 7, 8, and 10. Additionally, the district administers nationally norm referenced achievement assessments to students in grades 2, 4, 6, and 8. Nationally norm referenced ability assessments are administered to students in grades 2, 4, and 6. Combined, these assessments provide critical information about each student. School District students have consistently scored in the top 10 percent of the State over the past several years.

The School District's high schools are accredited by the North Central Association of Colleges and Schools. Each building in the School District is committed to a continuous improvement process model and has a committee to drive instructional improvement proficiency development and higher student performance.

Technology is a major component of the teaching and learning process. All professional staff are trained continuously in the use of major operational systems and the use of software.

A growing array of educational services complements the School District's academic programs. Personnel and services are available in "English as a Second Language", the Gifted and Talented Program, and the Special Education Program. The School District employs K-12 guidance counselors and the program is a model for the State. Programs are available in drug and alcohol prevention/intervention, diversity training and career education awareness and exploration. These programs enable the School District to better accommodate the community's diverse population.

Planning, organization, program evaluation and staff development are the keys to offering a quality curriculum. The Board and School District staff have joined with the community in a commitment to fulfill the School District's Mission Statement, "The Dublin School Community is committed to each student's growth and success."

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State Performance Standards

According to the Department, the Local Report Card acts as a catalyst for analysis of school improvement and excellence by reporting on the performance of school districts. The Local Report Card includes federal No Child Left Behind requirements, such as full building-level accountability, Adequate Yearly Progress ("AYP"), and separate data reporting for students with disabilities and limited English proficient students. Every school district, building, and community school receives one of the following State designations indicating the general level of performance based on its Local Report Card data:

- Excellent with Distinction;
- Excellent;
- Effective;
- Continuous Improvement;
- Academic Watch; or
- Academic Emergency.

The State Superintendent is required to establish an independent Academic Distress Commission ("ADC") for any Academic Emergency school district that fails to meet AYP goals for four or more consecutive years. An ADC may exercise extraordinary authority over school district operations pursuant to Revised Code Section 3302.10, including the power to reassign or terminate administrators, override collective bargaining agreements and adopt a budget for school district expenditures.

The following table summarizes the School District's Local Report Card measures. Further explanation of the measures and a breakdown of the School District's performance on the State Indicators follows.¹

Local Report Card Summary, 2011-2012

Dublin City School District

Number of State Indicators Met	26 out of 26 (100%)
Performance Index Score	107.0
Adequate Yearly Progress	Met
Value-Added Measure	+ (Above)
Designation	Excellent with Distinction

Source: Ohio Department of Education

The four measures summarized below are the basis for assigning State designations.

1. Number of State Indicators Met: Twenty-four of the 26 State Indicators are based on achievement tests and identify a minimum percentage of students that should be at or above the proficient level on third-, fourth-, fifth-, sixth-, seventh-, eighth-, tenth- and eleventh-grade tests. The remaining two State Indicators identify minimum graduation and attendance rates. The following table shows the School District's performance indicators. Any results at and above the State standard are shown in **bold**.

¹ This discussion of state performance standards is provided for the convenience of the reader and only summarizes the process by which the Department reaches its designation for school districts. For more information about state performance standards, including more detail about the School District's performance, please see the Department's website relating to state and local report card reporting at <http://www.ode.state.oh.us/GD/Templates/Pages/ODE/ODEDetail.aspx?page=279>.

2011-2012 State Performance Indicators
Dublin City School District

Performance Indicator	State Standard	School District	Performance Indicator	State Standard	School District
<i>3rd Grade Achievement</i>			<i>8th Grade Achievement</i>		
1. Reading	75%	92.3%	12. Reading	75%	96.1%
2. Mathematics	75	92.8	13. Mathematics	75	94.8
			14. Science	75	88.2
<i>4th Grade Achievement</i>			<i>Ohio Graduation Test (10th Grade)</i>		
3. Reading	75%	92.9%	15. Reading	75%	95.1%
4. Mathematics	75	91.9	16. Mathematics	75	94.2
<i>5th Grade Achievement</i>			17. Writing	75	95.5
5. Reading	75%	89.5%	18. Science	75	92.5
6. Mathematics	75	83.0	19. Social Studies	75	94.1
7. Science	75	87.2	<i>Ohio Graduation Test (11th Grade)</i>		
<i>6th Grade Achievement</i>			20. Reading	85%	98.7%
8. Reading	75%	96.4%	21. Mathematics	85	98.3
9. Mathematics	75	93.3	22. Writing	85	99.1
<i>7th Grade Achievement</i>			23. Science	85	97.4
10. Reading	75%	92.0%	24. Social Studies	85	98.3
11. Mathematics	75	91.1	25. Student Attendance Rate	93%	96.0%
			26. Graduation Rate*	90%	95.5%

* 2010-2011 graduation rate.

Source: Ohio Department of Education

2. Performance Index (PI): This measure records the achievement of every tested student, not just those who score proficient or higher. School districts earn points based on how well each student does on all tested subjects in grades 3-8 and the 10th Grade Ohio Graduation Test. Each achievement test has five performance levels: advanced, accelerated, proficient, basic, and limited. The School District's PI is a weighted score from 0 to 120 based on the number of students falling into each performance level. Students who are not tested earn zero points.

3. Value-Added Measure: This measure gauges the amount of academic improvement in the performance of students even though the School District may not have met the standard for student achievement. The Value-Added measure attempts to reflect student progress over time, whereas the State Indicators reflect student proficiency at a single point in time. The Value-Added measure is rated as follows:

- + (Above): school district has achieved more than one year of expected growth in student progress
- ✓ (Met): school district has achieved one year of expected growth in student progress
- (Below): school district has achieved less than one year of expected growth in student progress

A school district that achieves above expected growth in student progress for two consecutive years may increase its overall rating by one category.

4. **AYP:** The goal of the Department is for all students to reach the proficient level in reading and mathematics by 2013-2014. Until then, yearly goals are set requiring a specific percentage of students in 10 student groups, such as African American, Hispanic and White students, to reach proficiency in these subjects. For a school district to meet its Adequate Yearly Progress ("AYP") goal, goals for each student group must be met. If any goal is missed, the school district will not meet AYP for the year.

Determining the State designation for a school district is a two-step process. First, the combination of the percentage of State Indicators met, PI, and AYP for a school district determine its preliminary designation as follows:

Indicators Met		Performance Index Score		AYP Status		Preliminary Designation
94%-100%	or	100 to 120	and	Met or Not Met	=	Excellent
75%-93.9%	or	90 to 99.9	and	Met or Not Met	=	Effective
0%-74.9%	or	0 to 89.9	and	Met	=	Continuous Improvement
50%-74.9%	or	80 to 89.9	and	Not Met	=	
31%-49.9%	or	70 to 79.9	and	Not Met	=	Academic Watch
0%-30.9%	and	0 to 69.9	and	Not Met	=	Academic Emergency

For the 2011-2012 year, the School District met 100% of the State Indicators, scored a PI of 107.0, and met its AYP. The School District's preliminary designation was Excellent.

Once a school district's preliminary designation is determined, the value-added measure determines the school district's final designation as follows:

Preliminary Designation		Value-Added Measure*	Final Designation
Excellent	and	Above expected growth for at least 2 consecutive years	Excellent with Distinction
		Below expected growth for at least 3 consecutive years	Effective
Effective	and	Above expected growth for at least 2 consecutive years	Excellent
		Below expected growth for at least 3 consecutive years	Continuous Improvement
Continuous Improvement	and	Above expected growth for at least 2 consecutive years	Effective
		Below expected growth for at least 3 consecutive years	Academic Watch
Academic Watch	and	Above expected growth for at least 2 consecutive years	Continuous Improvement
		Below expected growth for at least 3 consecutive years	Academic Emergency
Academic Emergency	and	Above expected growth for at least 2 consecutive years	Academic Watch
		Below expected growth for at least 3 consecutive years	Academic Emergency

* In all other cases, then the Value-Added Measure will have no impact on the designation and the preliminary designation becomes the final designation.

The School District's value added measure was + (Above) in 2011-2012. The School District's final designation for 2011-2012 was Excellent with Distinction.

National Standardized Test Scores

The following table sets forth ACT results for the seniors who took the test and graduated from the School District in 2012.

ACT Scores for Seniors Graduating in 2012 Dublin City School District

	School District	State of Ohio	United States
ACT Score Composite	25.1	21.8	21.1
English	24.9	21.1	20.5
Mathematics	25.2	21.5	21.1
Reading	25.1	22.1	21.3
Science	24.9	21.8	20.9
Percent of students tested ready for college level courses			
English Composition	91%	71%	67%
Algebra	78	49	46
Social Science	78	58	52
College Biology	60	34	31
All 4 classes	53	28	25

Sources: ACT and Dublin City School District

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Comparative Position of the School District

The following tables compare the School District with its similar district cohort (as defined by the Department) and the State average in the areas of sources of revenue, expenditures by category, and teacher statistics.

Sources of Revenue, 2011-2012

Dublin City School District

	School District	Similar Districts	State of Ohio
Local Funding	76.32%	67.74%	48.63%
State Funding	20.61	28.61	43.08
Federal Funding	3.07	3.65	8.29

Source: Ohio Department of Education

Expenditures by Category, 2011-2012

Dublin City School District

(Dollars per Pupil)

	School District	Similar Districts	State of Ohio
Instruction	\$7,312	\$6,358	\$5,873
Building Operations	1,945	1,858	2,030
Administration	1,155	1,078	1,219
Pupil Support	1,515	1,169	1,078
Staff Support	782	389	396
Total Spending Per Pupil	\$12,709	\$10,852	\$10,596

Source: Ohio Department of Education

Teacher Statistics, 2011-2012

Dublin City School District

	School District	Similar Districts	State of Ohio
Teachers' Salaries			
Average teacher salary	\$70,300	\$66,263	\$58,119
Teaching experience			
0-4 years	13.73%	23.89%	25.48%
4-10 years	23.79	19.72	17.43
10 + years	62.47	56.39	57.09
K-12 Pupil-Teacher Ratio *	17.89	19.02	18.47

* Fiscal year 2007-2008.

Source: Ohio Department of Education

ECONOMY AND EMPLOYMENT

Economic Development

Over the last two decades the City of Dublin (the "City") has experienced impressive growth in the nature and size of commercial and industrial businesses that choose to operate in the City. By taking a proactive approach to city planning, the City has worked to manage its growth and maximize the economic opportunities created by burgeoning developments. By striving to provide high quality infrastructure and to establish valuable partnerships with its businesses, the City is poised to continue this economic growth over the next several years.

The City's economic base rests on a variety of more than 2,500 businesses so that no single industry dominates the City's economy. The result is a well-balanced corporate climate that has the ability to endure setbacks in any one business segment.

The City is assisting with the development of a 1,500-acre technology park, dubbed the Central Ohio Innovation Center (the "Innovation Center"), near the U.S. 33 and State Route 161/Post Road interchange. The City has committed \$52 million for infrastructure improvements at the site, including a rebuilt interchange. It is estimated that the Innovation Center site will accommodate a total of 1.77 million square feet of future office and/or lab space development. DubLINK, the City's underground optical fiber route, will connect the Innovation Center directly to the Ohio Supercomputer Center's Third Frontier Network, the most advanced statewide research network in the country. This network links Ohio's college and universities, research labs and hospitals via 1,600 miles of high-speed broadband connectivity.

In 2014, Ohio University Heritage College of Osteopathic Medicine will open a Central Ohio extension campus on a 14.8 acre site located in the City. The property also includes an area for the development of education and technology related partnerships that will support the City's envisioned West Innovation District.

In January 2008, the new Dublin Methodist Hospital opened at the intersection of U.S. 33 and Avery-Muirfield Drive. Services offered at the \$150 million, 94-bed hospital include a 24-hour, full-service emergency department, outpatient and inpatient surgical procedures, women's health services and intensive care beds. In addition to the hospital's facilities, the City has approved construction of 19 buildings valued at a combined \$18.6 million near the hospital.

The City is not only focused on new development, however; it is also committed to the success and growth of its current business partners. Several companies with a global presence, including Wendy's International Inc., Cardinal Health Inc., Ashland Specialty Chemical Co., and Verizon Wireless, have their headquarters or a significant number of employees who live and work in the City. Cardinal Health recently constructed a \$50 million, 250,000 square foot expansion at its headquarters. This new facility is home to the Healthcare Supply Services branch of the company and is projected to added approximately 700 jobs.

Even with all of the development that has occurred over the last twenty years, the City has worked to retain a small-town feeling in the historic downtown area called Old Dublin. The square at the intersection of High and Bridge streets, considered the heart of City, is the location of BriHi Square, a new 22,000-square-foot mixed-use development featuring commercial, restaurant and retail businesses in two, two-story buildings along with a public plaza, water features and public parking. BriHi Square is an estimated \$9 million project that represents a public-private partnership between the City (\$3 million tax

increment financing investment) and The Stonehenge Company (\$6 million investment), and it was opened in May 2010.

In addition to new commercial and residential developments, the City saw the opening of the Shoppes at River Ridge, an upscale lifestyle retail center of approximately 103,000 square feet on 15 acres located on the bluffs of the Scioto River. The open-air, pedestrian-friendly center was designed to emulate the cozy atmosphere of Old Dublin. The inviting architecture and quality of businesses within the center make it a premier shopping and eating destination in central Ohio. The popular Montgomery Inn restaurant opened its first location in central Ohio in 2009 at the Shoppes at River Ridge, and other businesses located at the center include Ann Taylor Loft, bliss, Learning Express Toys, and Bruegger's Bagels.

Despite the magnitude of recent construction projects, large areas of the School District remain rural in character, and residential development is expected to continue in the City and School District during the next decade. The potential for the City's growth to continue is illustrated by the additional vacant land already within the City's municipal boundaries and also by its regular annexations.

City residents generally comprise an upwardly mobile, young, married and employed citizenry, more than half of whom have children living at home. The City continues to be one of the fastest growing communities in Central Ohio. According to the City's Building Department, the City issued 78 building permits for single-family residential units in the year 2010 at an estimated cost of \$24,580,607. For 2011, the City issued 37 building permits for single-family residential units through the month of July at an estimated cost of \$11,726,201.

The City has many attractions that draw thousands of tourists to the area each year. The internationally celebrated Memorial Tournament, held at the Muirfield Village Golf Club, was founded by Jack Nicklaus and opened on Memorial Day in 1974. The 1,600-acre Muirfield development includes single-family homes and condominium units designed primarily for buyers in upper income brackets. The City is also home to one of the largest Irish festivals in the U.S., the Dublin Irish Festival, which attracts about 85,000 people annually.

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Building Permits

The School District's growth in the past decade is reflected, in part, in the degree of building activity in the School District. Building permit statistics are not readily available for the School District as such. The following table relating to the issuance of permits for new residential (single and multi-family) and commercial buildings by the City since 2002 is set forth for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the School District is representative of the City, or vice versa.

Building Permits and Total Construction Cost City of Dublin

Year	Residential			Commercial		
	New Home Construction	Alterations, Additions to Single Family Homes	Valuation	New Building Construction	Alterations, Additions to Commercial	Valuation
2002	375	324	\$101,327,866	61	154	\$ 85,770,240
2003	449	330	120,507,019	54	147	42,248,017
2004	458	374	131,438,085	71	142	35,043,349
2005	383	345	123,539,061	244	169	197,211,653
2006	263	356	109,311,143	171	200	107,423,353
2007	154	270	60,818,873	49	153	101,586,265
2008	81	255	39,858,999	18	138	75,738,737
2009	83	198	34,200,333	18	150	29,904,064
2010	86	182	31,565,646	18	118	29,030,384
2011	118	207	39,879,052	42	162	50,373,958
2012	176	239	60,421,336	8	158	61,167,137
2013*	52	56	18,296,095	9	57	46,775,575

*Data through April, 2013.

Source: City of Dublin

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Labor Force Statistics

Unemployment and labor force statistics specific to the School District are not available. The County and the MSA information presented in this section is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the School District is representative of the County or the MSA, or vice versa. The following statistics are not seasonally adjusted.

Area Unemployment Rates (annual percentages)					Labor Force (in thousands)	
Year	Franklin County	MSA	State of Ohio	United States	Year	Franklin County
2002	5.0%	5.0%	5.7%	5.8%	2002	600.9
2003	5.3	5.3	6.2	6.0	2003	599.3
2004	5.4	5.4	6.1	5.5	2004	598.3
2005	5.2	5.2	5.9	5.1	2005	598.8
2006	4.6	4.7	5.4	4.6	2006	605.6
2007	4.7	4.7	5.6	4.6	2007	615.7
2008	5.5	5.5	6.5	5.8	2008	620.6
2009	8.3	8.4	10.1	9.3	2009	625.6
2010	8.6	8.7	10.0	9.6	2010	618.8
2011	7.6	7.5	8.6	8.9	2011	616.7
2012	6.1	6.1	7.2	8.1	2012	625.8
2013*	6.2	6.3	7.6	7.8	2013*	621.8

* Preliminary average through April 2013.

Source: Ohio Department of Job and Family Services,
Bureau of Labor Market Information

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Largest Employers

The following table lists the 50 largest employers in the MSA as of December 2012. It should not be implied from the inclusion of such data in this Official Statement that the School District is representative of the MSA, or vice versa.

Largest Employers Columbus, Ohio MSA

Rank	Firm	Number of Employees	Industry
1	Ohio State University	27,404	Education
2	State of Ohio	24,748	Government
3	JP Morgan Chase & Co.	19,200	Banking & financial services
4	Ohio Health Corp.	14,025	Healthcare
5	Nationwide Mutual Insurance Company	11,316	Insurance and financial services
6	Kroger Co.	10,031	Retail grocery
7	Columbus City Schools	9,753	Education
8	City of Columbus	8,455	Government
9	Mount Carmel Health System	7,961	Healthcare
10	Limited Brands Inc.	7,800	Retail clothing
11	McDonald's Corporation	7,622	Fast food
12	Nationwide Children's Hospital	7,472	Healthcare
13	Honda of America Manufacturing	7,000	Auto manufacturing
14	Franklin County	6,689	Government
15	Huntington Bancshares Inc.	5,094	Banking & financial services
16	Cardinal Health Inc.	4,468	Medical products & services
17	Giant Eagle Inc.	4,260	Retail grocery
18	American Electric Power	3,361	Electric power utility
19	DLA Land and Maritime	3,200	Defense systems manufacturer
20	Columbus State Community College	2,843	Education
21	Abercrombie & Fitch Company	2,725	Retail clothing
22	South-Western City School District	2,477	Education
23	Alliance Data Systems Corp.	2,434	Marketing/credit card transaction services
24	Battelle Memorial Institute	2,417	Technology & research development
25	State Farm Insurance	2,000	Insurance and financial services
26	Exel	1,985	Contract logistics provider
27	Time Warner Cable Inc.	1,869	Cable TV, internet and phone services
28	Olentangy Local School District	1,845	Education
29	Fairfield Medical Center	1,820	Healthcare
30	Dublin City Schools	1,793	Education
31	Hilliard City Schools	1,777	Education
32	Wendy's Co.	1,641	Fast food
33	Donatos Pizzeria LLC	1,639	Fast food
34	Satelite AutoGlass	1,617	Automobile repair
35	Westerville City School District	1,615	Education
36	Licking Memorial Health Systems	1,578	Healthcare
37	CAS-Chemical Abstracts	1,500	Chemical research
38	Thirty-One Gifts LLC	1,450	Retail clothing and accessories
39	Worthington Industries Inc.	1,420	Steel manufacturing
40	Big Lots Inc.	1,416	Discount retail
41	Arc Industries Inc.	1,300	Contract work for disabled adults
42	Boehringer Ingelheim Roxane Inc.	1,250	Develops & markets generic drugs
43	Aetna Health Inc.	1,249	Insurance
44	Anchor Hocking Company	1,200	Glass manufacturing
45	Columbia Gas of Ohio	1,167	Natural gas utility
46	Worthington City School District	1,119	Education
47	Central Ohio Primary Care Physicians, Inc.	1,100	Healthcare
48	Delaware County	1,100	Government
49	Pickerington Local Schools	1,022	Education
50	Franklin University	1,012	Education

Source: Columbus Business First, December 2012

The following table lists the 20 largest employers in the City as of February 2013. It should not be implied from the inclusion of such data in this Official Statement that the School District is representative of the City, or vice versa.

**Largest Employers
City of Dublin**

Rank	Firm	Number of Employees	Industry
1.	Nationwide Insurance Enterprises	4,600	Insurance & Financial
2.	Cardinal Health, Inc.	3,200	Pharmaceuticals
3.	Express Scripts	2,000	Retailers/Wholesalers
4.	Dublin City School District	1,800	Education
5.	Cellco / Verizon Wireless	1,400	Telecommunications
6.	Ohio Health	1,000	Medical & Administration
7.	Fiserv Corporation	900	Electronic Bill Payments
8.	CareWorks Family of Companies	820	Insurance & Financial
9.	Ashland Chemical Co.	800	Research & Development
10.	Online Computer Library Center	750	Computer Library
11.	NCO Financial Group	600	Financial Institutions
12.	Nexeo Solutions, LLC	550	Chemical Distribution
13.	Alcatel Lucent	500	Telecommunications
14.	Smiths Medical	500	Medical Manufacturing
15.	Century Link	500	Telecommunications
16.	Pacer Global Logistics	450	Transportation Logistics
17.	Wendy's International	450	Restaurant Chain/Corp.
18.	IGS Energy	390	Natural Gas Retailer
19.	Laboratory Corp. of America	380	Medical Laboratory Testing
20.	The Kroger Co. (3 locations)	350	Retailers/Wholesalers

Source: City of Dublin. Data as of February 2013.

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SCHOOL DISTRICT PROPERTY TAX BASE

Ad Valorem Taxes and Assessed Valuation

Overview

For property taxation purposes, assessment of real property is performed on a calendar year basis by the elected County Auditor subject to supervision by the Tax Commissioner, and assessment of public utility property and tangible personal property is performed by the Tax Commissioner. Property taxes are billed and collected by the County Treasurer.

Taxes collected from real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of that second year preceding the tax collection year. Beginning with the 2009 tax year, general business tangible personal property is no longer subject to tax.

Real Property

The "assessed valuation" of real property is fixed at 35% of true value and is determined pursuant to rules of the Tax Commissioner, except that real property devoted exclusively to agricultural use is assessed at not more than 35% of its current agricultural use value. Beginning in 2008, certain elderly or disabled resident homeowners may receive a flat \$25,000 property tax exemption on the market value of their homestead.

Ohio law requires the County Auditor, subject to supervision by the Tax Commissioner, to adjust the true value of taxable real property every six years to reflect current fair market values. This "sexennial reappraisal" is done by individual appraisal of properties. In the third year following a sexennial reappraisal, the County Auditor, again subject to supervision by the Tax Commissioner, performs a "triennial update" to adjust the value of taxable real property to reflect true values. The triennial update is done without individual appraisal of properties, but with reference to a sales-assessment ratio over the three-year period.

Personal Property

In 2005, the State accelerated its phase-out of the tangible personal property tax. After 2008, general business tangible personal property is not subject to tax.

Public utility tangible personal property – including tangible personal property of electric utilities not used for transmission and distribution and all tangible personal property of gas utilities – was not included in the phase-out created by the State. All public utility tangible personal property is assessed at varying percentages of its true value depending on the type of property and the type of utility.

The State currently reimburses School Districts for tax losses resulting from the phase-out of the tangible personal property tax. However, recent legislation will reduce and eliminate the amount of such payments. (See "SCHOOL DISTRICT PROPERTY TAX BASE – State Reimbursement of Property Tax Revenues.")

Tax Abatements and Economic Development Incentives

Tax abatements are temporary property tax exemptions designed to stimulate economic growth or promote other activities deemed by the State to be in the public interest. Under Ohio law, tax abatements may be granted for urban renewal projects, community redevelopment corporations, community reinvestment areas, property acquired by municipal corporations engaged in urban redevelopment, enterprise zones, railroad property, and for any improvements declared to serve a "public purpose" in municipalities, townships, and counties.

Because the burden of tax abatements falls disproportionately on school districts due to their reliance on property taxes, the State has created safeguards that allow school districts to protect their interests. First, a school district must be given advance notice of a planned abatement, and be allowed to comment on the abatement prior to its granting. Under certain circumstances, a board of education may "veto" a proposed tax abatement and/or negotiate an annual compensation payment. Second, school district representatives sit on tax incentive review councils to monitor compliance with tax abatement agreements and make recommendations on abatements to the governmental entity involved. Finally, municipalities with an income tax in place must negotiate a compensation agreement with a school district if a tax abatement is expected to generate a significant amount of increased payroll to the area.

The table below summarizes the tax abated real property within the School District:

Summary of Tax Abatements Dublin City School District

Current Owner Name	Assessed Valuation of Abatement	Tax Years Effective
Orthopaedic Medical	\$5,883,500	2003-2017
Central Ohio Medicine	1,063,000	2008-2017
Hersh Realty LLC	261,200	2005-2014
Hersh Realty LLC	94,700	2005-2014
CAM Development II LLC	228,300	2006-2015
CAM Development II Ltd.	175,700	2006-2015
CAM Development Co. Ltd.	287,500	2006-2015
5009 Horizons LLC	794,800	2007-2016
KDA Real Estate LLC	270,600	2009-2018
GK Knightsbridge Ltd.	195,700	2009-2018
G&B Ventures LLC	470,000	2009-2018
5007 Arlington Falls LLC	326,900	2010-2019
5007 Arlington Falls LLC	300,000	2010-2019
5007 Arlington Falls LLC	580,000	2010-2019
Total	\$10,931,900	

Source: Franklin County Auditor

Assessed Valuation

The following table classifies the School District's assessed valuation of taxable property according to use:

Assessed Valuation Dublin City School District (2013 Collection Year)

Property Classification	Amount	Percent of Total Assessed Valuation
<i>Real Estate</i> ¹		
Residential/Agricultural	\$2,052,849,090	70.66%
Commercial/Industrial/Mineral	<u>793,156,010</u>	<u>27.30</u>
Total Real Estate	\$2,846,005,100	97.96%
<i>Personal Property</i> ²		
Public Utility Personal	<u>\$ 59,338,970</u>	<u>2.04%</u>
Total Personal	\$ 59,338,970	2.04%
Total Assessed Valuation	\$2,905,344,070	100.00%

Source: Franklin County Auditor

Growth in Assessed Valuation Dublin City School District

Tax Collection Year	Assessed Valuation	Percent Increase Over Prior Year
2003 ³	\$2,405,652,152	12.46%
2004	2,440,505,938	1.45
2005	2,510,048,018	2.85
2006 ⁴	2,850,937,127	13.58
2007	2,879,829,383	1.01
2008	2,939,307,193	2.07
2009 ³	2,957,379,601	0.61
2010	2,981,975,501	0.83
2011	3,014,185,250	1.08
2012 ⁴	2,901,157,280	(3.75)
2013	2,905,344,070	0.14

Source: Franklin County Auditor

¹ Real property taxes collected in a calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. Real property is assessed at 35% of market value and reappraised every six years, with triennial updates every three years.

² Tangible personal property taxes collected in a calendar year are levied in the same calendar year, on assessed values during and at the close of the most recent fiscal year of the taxpayer (ending on or before March 30 of said calendar year) at tax rates determined in the preceding year.

³ Year of triennial update for the County.

⁴ Year of sexennial reappraisal for the County.

Largest Taxpayers

The following tables list the largest real estate and public utility taxpayers in the School District. Percentages of total assessed valuation are based on a total assessed valuation of \$2,905,344,070 for the 2013 collection year.

Largest Taxpayers Dublin City School District (2013 Collection Year)

Real Estate Taxpayers

Name	Type of Business	Assessed Valuation	Percent of School District's Total Assessed Valuation
Ohio Health Corp.	Health Care	\$40,136,160	1.38%
BRE/COH OH LLC	Office Buildings	23,316,520	0.80
Ashland Oil	Chemical Company	17,807,140	0.61
OCLC Online Computer	Library Cooperative	14,806,410	0.51
DP Parkcenter Circle LLC	N/A	12,600,010	0.43
Carriage Place	Shopping Center	11,403,600	0.38
Sun Center Limited LLC	Real Estate Developer	9,625,010	0.33
General Electric Credit Equities	Office Buildings	9,236,510	0.32
Lakeview Square	Real Estate Investment	8,116,820	0.28
Arbors of Dublin	Apartments	7,673,650	0.29

Public Utility Taxpayers

Name	Type of Business	Assessed Valuation	Percent of School District's Total Assessed Valuation
Columbus Southern Power Co.	Electric Utility	\$49,075,330	1.69%

Source: Franklin County Auditor

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History of Voted Taxes

The table below provides the 20-year history of voted taxes in the School District. Issues listed in **bold** were passed by the voters.

History of Voted Taxes Dublin City School District

Election Date	Levy or Bond Issue Description	% Voting For	% Voting Against
11/06/12	\$15,871,610 bond issue – building improvements	54.52%	45.48%
11/06/12	6.40 mill operating levy – current expense	54.52	45.48
11/08/11	\$25,000,000 bond issue – building improvements	47.31	52.69
11/08/11	7.20 mill operating levy – current expense	47.31	52.69
11/04/08	\$50,000,000 bond issue – building improvements	53.58	46.42
11/04/08	7.90 mill operating levy – current expense	53.58	46.42
11/02/04	\$48,827,623 bond issue – building improvements	57.80	42.20
11/02/04	7.90 mill operating levy – current expense	57.80	42.20
11/07/00	\$67,900,000 bond issue – building improvements	53.75	46.25
11/03/98	7.60 mill operating levy – current expense	53.63	46.37
05/05/98	7.60 mill operating levy – current expense	49.12	50.88
11/04/97	6.80 mill operating levy – current expense	42.72	57.28
11/05/96	\$61,900,000 bond issue – building improvements	55.73	44.27
11/08/94	\$10,612,000 bond issue – building elementary school	55.51	44.49
02/08/94	7.90 mill operating levy – current expense	55.53	44.47
02/02/93	\$1,994,000 bond issue – building high school	40.33	59.67
02/02/93	\$6,670,000 bond issue – building elementary school	41.87	58.13
02/02/93	4.80 mill operating levy – current expense	42.86	57.14
11/03/92	\$27,040,000 bond issue – building high school	52.29	47.71
11/03/92	\$12,740,000 bond issue – building middle school	50.14	49.86
11/03/92	\$6,670,000 bond issue – building middle school	49.78	50.22
11/03/92	\$1,994,000 bond issue – building high school auxiliary	45.48	54.52
11/03/92	4.80 mill operating levy – current expense	49.26	50.74
06/02/92	\$50,350,000 bond issue – building improvements	35.94	64.06
06/02/92	2.10 mill operating levy – current expense	44.81	55.19

Source: Ohio Municipal Advisory Council

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Property Tax Rates and Collections

The following are the rates (in mills per \$1.00 of assessed valuation) at which the Board levied ad valorem taxes for the general categories of purposes in recent years (without the reduction factor discussed below).

School District Tax Rates Dublin City School District

Collection Year	Operating *	Debt Retirement	Permanent Improvement	Total
2005	57.40	7.20	--	64.60
2006	65.30	7.20	--	72.50
2007	65.30	7.20	--	72.50
2008	65.30	7.20	--	72.50
2009	65.30	7.20	--	72.50
2010	73.20	7.20	--	80.40
2011	73.20	7.20	--	80.40
2012	73.20	7.20	--	80.40
2013	79.60	7.74	--	87.34

* Includes inside millage and outside (voted) millage.

Source: Franklin County Auditor

The total School District operating millage of 79.60 mills for collection year 2013 includes voted operating levies of 75.20 mills approved by the School District electorate. The balance of 4.40 mills constitutes the School District's mandated share of the ten mills authorized to be levied without a vote of the electors of the School District (See "SCHOOL DISTRICT DEBT AND DEBT LIMITATIONS – Statutory Debt Limitations Generally – Indirect Debt Limitation.")

The following table identifies the historical tax collections for the School District:

Property Tax Collections Dublin City School District

Collection Year	Assessed Valuation	Taxes Levied	Taxes Collected (including delinquent taxes)	Collection Rate
2004	\$2,440,505,938	\$ 91,033,111	\$ 89,551,009	98.37%
2005	2,510,048,018	93,275,110	91,451,606	98.05
2006	2,850,937,127	114,195,589	108,377,911	94.91
2007	2,879,829,383	115,201,837	110,398,344	95.83
2008	2,939,307,193	112,752,917	105,734,756	93.78
2009	2,957,379,601	111,284,945	107,552,744	96.65
2010	2,981,975,501	132,531,436	127,496,992	96.20
2011	3,014,185,250	132,520,665	128,186,193	96.70
2012	2,901,157,280	132,529,665	128,386,024	96.87
2013	2,905,344,070	N/A	N/A	N/A

Source: Franklin County Auditor

Property Tax Rate Calculations

State law has a "reduction factor" mechanism that is intended to negate increases in taxes resulting from increases in the true value of real property due solely to inflation. Legislation implementing a 1980 constitutional amendment classifies real property as either (1) residential and agricultural or (2) all other real property, and provides for tax reduction factors to be separately computed for and applied to each class.

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 2 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. Real property tax amounts from property devoted to residential and agricultural purposes are further reduced by an additional 10% (12-1/2% in the case of certain owner-occupied residential property) or a flat, \$25,000 reduction in taxable value applicable to certain elderly or disabled resident homeowners. See "SCHOOL DISTRICT PROPERTY TAX BASE – State Reimbursement of Property Tax Revenues" for a discussion of reimbursement by the State for these reductions.

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Ad Valorem Tax Levies

The following table presents certain information concerning the School District's ad valorem tax levies:

Ad Valorem Tax Levies
Dublin City School District
Current Millage Rates (2013 Collection Year)

Year Voted	Authorized Mills	Rate Levied for Current Collection Year ¹	
		Residential/ Agricultural	Commercial/ Industrial
1968	3.00	0.874608	1.009137
1970	3.60	1.049529	1.210964
1971	1.50	0.437304	0.504568
1971	4.60	1.341065	1.547343
1973	2.90	0.845454	0.975499
1978	3.00	0.879813	0.985077
1982	3.50	1.304922	1.480458
1985	4.50	1.791652	2.022259
1986	2.00	0.804122	0.898782
1990	8.90	4.428942	6.008007
1994	7.90	4.835787	5.858015
1998	7.60	5.167346	6.098924
2005	7.90	6.987012	7.681572
2008	7.90	7.900000	7.900000
2012	6.40	6.400000	6.400000
Total Voted Operating Millage	75.20	45.047556	50.580605
Inside (Unvoted) Millage	4.40	4.400000	4.400000
Voted Bond Retirement Millage	7.74	7.740000	7.740000
Permanent Improvement Millage	--	--	--
Total Rate	87.34	57.187556	62.720605

¹ This is the "effective rate." The effective tax rates may be less than the authorized rates listed in the first column. See "FINANCES OF THE SCHOOL DISTRICT - Property Tax Rate Calculations."

Source: Franklin County Auditor

Repeal of Property Tax Levies

Each operating tax levy approved for a continuing period is subject to decrease through a statutory referendum procedure requiring (1) a petition signed by qualified electors of the School District equal in number to those who voted in the last governor's race (to be filed at least 75 days before the general election in any year) stating the amount of the proposed decrease and (2) the approval of the decrease by a majority vote at the general election with the decrease to commence at the expiration of the then current year. No petition has been filed with respect to any existing current expense tax levy of the School District.

If such a petition is filed and subsequently approved by the electors of the School District, under Revised Code Section 5705.261, the Board must continue to levy and collect such amount as will be sufficient to pay the principal of and interest on any notes in anticipation of an increased rate of levy approved for a continuing period of time.

Total Property Tax Burden

The following table displays the total effective tax rates levied on property located in the School District. In addition to the 87.34 mills levied by the School District, properties in the School District are subject to a county tax levy, a joint vocational school district ("JVSD") levy, and taxes levied by other overlapping political subdivisions.

Ad Valorem Tax Levies
Dublin City School District
(mills per \$1.00 of assessed valuation; 2013 Collection Year)

Location of Property to be Taxed	Taxing Authority					Total	Effective Rates	
	School District	County	JVSD	Township	Other*		Residential & Agricultural	All Other
Franklin County								
Columbus City	87.34	18.47	1.60	0.00	5.94	113.35	82.994393	88.679345
Hilliard City-Wash. Twp.	87.34	18.47	1.60	15.45	4.40	127.26	91.618004	97.742310
Hilliard City- Norwich Twp.	87.34	18.47	1.60	17.50	4.40	129.31	90.317298	97.598926
Upper Arlington City	87.34	18.47	1.60	0.00	8.62	116.03	85.674393	91.017522
Norwich Township	87.34	18.47	1.60	21.60	2.80	131.81	91.374586	98.822229
Perry Township	87.34	18.47	1.60	21.60	2.80	131.81	96.622044	101.951206
Columbus City-Perry Twp.	87.34	18.47	1.60	21.17	4.37	132.95	97.762044	103.091206
Dublin City-Wash. Twp.	87.34	18.47	1.60	15.45	5.75	128.61	91.972760	98.206515
Washington Township	87.34	18.47	1.60	15.45	2.80	125.66	90.018004	96.142310
Delaware County								
Dublin City-Washington Twp.	87.34	5.05	1.60	15.45	5.55	114.99	78.555923	84.637775
Shawnee Hills Village	87.34	5.05	1.60	0.00	18.67	112.66	78.145773	85.801555
Dublin City-Concord Twp.	87.34	5.05	1.60	9.20	5.55	108.74	75.175700	83.105586
Concord Township	87.34	5.05	1.60	11.30	3.75	109.04	76.397976	84.244869
Union County								
Jerome Township	87.34	10.85	1.60	17.90	1.25	118.94	79.762026	88.257756
Dublin City-Jerome Twp.	87.34	10.85	1.60	0.40	2.95	103.14	70.490534	76.438250
Washington Twp. (Franklin)	87.34	10.85	1.60	15.35	2.95	118.09	80.154145	86.541215

* Includes any taxes levied by the City, Village, County 911 Services; Fire Districts; the County Health District; County Community College District; Township Cemetery Districts; and the Library District.

Source: Ohio Department of Taxation

State Reimbursement of Property Tax Revenues

Rollback and Homestead Exemption Reimbursement

The State reimburses taxing districts, including school districts, for decreased tax revenues due to (a) the 10% reduction or "rollback" in non-commercial property taxes, (b) the 2-1/2% reduction applicable to owner-occupied housing, and (c) the flat, \$25,000 reduction in taxable value applicable to certain elderly or disabled homeowners. Such reimbursements are subject to repeal or revision by the State.

Public Utility Property and Tangible Personal Property Tax Loss Reimbursement

In tax year 2001, changes took effect which reduced the assessment percentages applicable to electric generation and natural gas tangible personal property, thereby reducing the amount of tangible public utility property tax revenue collected by taxing districts. In order to replace the taxes no longer received due to the lower assessment percentages, State consumption taxes on electricity and natural gas were enacted in 1999 and 2000, respectively.

Beginning in 2006, the State began to phase out the tax on tangible personal property used in business. The State also reimburses certain taxing districts for the loss of tax revenues due to the phase-out of the tax on general business tangible personal property, and on the tangible personal property belonging to telephone, telegraph, and interexchange companies. In order to replace a portion of the lost revenue, a commercial activity tax was enacted in 2005 and is imposed on gross receipts, including receipts from services, in the State.

The reimbursement of both types of tangible personal property tax revenue losses were scheduled to phase out by calendar year 2018. Instead, recent legislation generally accelerates the phase-out and reduces payments, depending on the type of levy.

For fixed-rate levies, the reimbursement amounts for fiscal year 2011 are compared to the "total resources" of a school district. "Total resources" includes fiscal year 2010 State aid; fiscal year 2010 reimbursement for current expense fixed-rate levy losses; the average current expense real and public utility taxes payable for tax years 2008 and 2009; the school district's fiscal year 2009 receipts from a school district income tax levied for current expenses; and receipts during calendar year 2009 from a municipal income tax levied for municipal and school district purposes.

If a school district's reimbursement payments are less than the threshold percentage of total resources for a year, then no further reimbursement is made. If the reimbursement payments exceed the threshold percentage, then the school district receives the amount in excess of the percentage. For fiscal year 2012, the threshold amount is 2%; for fiscal years 2013 and thereafter, the threshold percentage is 4%. Any reimbursement for 2013 will continue indefinitely.

For fixed sum and unvoted debt levy losses, amounts will continue to be reimbursed (less the amount attributed to one-half mill) so long as the levy continues to be imposed for fixed-sum levy purposes, and so long as the levy continues to be imposed for debt purposes until 2018, in the case of unvoted debt levies. Fixed rate levies for purposes other than current expenses are reduced by 25% over reimbursement levels for fiscal year 2010 for fiscal year 2012, and are reduced by 50% for fiscal years 2013 and thereafter.

For additional information and a chart prepared by the Ohio Department of Taxation illustrating the amount of reimbursements for future years, go to http://www.tax.ohio.gov/channels/government/phase_out.stm.

OTHER SOURCES OF SCHOOL DISTRICT FUNDING

School Foundation Program

The State assists public school districts under a statutory program that includes the School Foundation Program.¹ 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 purpose. Payments made pursuant to the School Foundation Program are expected to increase due to the projected increase in need resulting from the accelerated phased elimination of the tax on tangible personal property. State reimbursement of property tax losses paid to school districts will be reduced by this increase, if any, in School Foundation Program receipts. (See "SCHOOL DISTRICT PROPERTY TAX BASE – State Reimbursement of Property Tax Revenues.")

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 has no reason to believe it will not remain in compliance.

The current State budget instituted a transitional formula for public school educational funding until a permanent formula is devised. The Governor of the State is expected to propose a new model for providing State assistance to school districts when the budget for the next biennium is submitted to the General Assembly on February 4, 2013. The ultimate disposition of this model by the Governor and the General Assembly is not determinable at this time, nor is it possible to quantify at this time how the new model will impact the School District's State funding. For the 2011-2012 fiscal year, State funding comprised 20.61% of the School District's operating funds.

The State also assists school districts by funding the School District Solvency Assistance Fund (the "Solvency Fund"). Created within the Solvency Fund is the School District Shared Resource Account and the Catastrophic Expenditures Account. A school district must be in a state of "fiscal emergency" to qualify for assistance and grants from the School District Shared Resource Account. A school district may qualify for assistance and grants from the Catastrophic Expenditures Account if the school district suffers an unforeseen catastrophic event that severely depletes the financial resources of the school district. School districts receiving assistance and grants from the Solvency Fund are required to repay such advances no later than the end of the second fiscal year following the fiscal year in which they received the assistance and grants, and if they fail to do so, the State will repay the Fund from amounts the school district would otherwise receive pursuant to the School Foundation Program. The School District does not have any outstanding advances from the Solvency Fund. The Solvency Fund, with the exception of the Catastrophic Expenditures Account, evolved from statutes declared unconstitutional in DeRolph. (See "LITIGATION – School Funding Litigation.")

State Classroom Facilities Assistance

The Ohio School Facilities Commission (the "Commission"), a division of the Ohio Facilities Construction Commission, was created in 1997 to administer the provision of financial assistance to Ohio school districts for the acquisition or construction of classroom facilities in accordance with Revised Code Chapter 3318. Revised Code Chapter 3318 provides for several different school facilities assistance programs involving financial assistance from the State. These programs include the Classroom Facilities Assistance Program, the Exceptional Needs School Facilities Assistance Program, and the Expedited Local Partnership Program. Each of these programs provides State funding for all or a portion of

¹ The Supreme Court of Ohio has declared the School Foundation Program unconstitutional. See "LITIGATION - School Funding Litigation."

qualifying school facilities projects based on financial tests, inadequate facilities, or a combination of the two. Participation in these programs also requires a school district to commit to adhere to Commission requirements for project construction.

The School District does not currently participate in any of the school facilities assistance programs.

Gross Casino Revenue Tax

In 2013, Ohio public school districts will begin receiving a share of the gross casino revenue tax (the "Casino Tax"). The Casino Tax will be distributed twice a year in proportion to each county's respective public school district student population. The Tax Commissioner, acting as an agent for the counties, will calculate and make payments directly to public school districts based on the student population of each county and the student population of each public school district located in whole or in part in the county.

School District Income Tax

Under Ohio law, a school district, with the approval of the voters, may impose an income tax for the purpose of providing additional funds for the operation of the school district. The tax may be imposed upon the income of individuals residing in the school district and estates of decedents who at the time of their death were residents of the school district; or solely upon the earned income of individuals residing in the school district. Such selection must be made by the board of education prior to submission of the question of an income tax to the board of elections and be clearly stated on the election ballot. The tax may be imposed either for a specified number of years or for a continuing period of time. If the tax is imposed for a period in excess of five years, the voters of the school district may, by majority vote, repeal the tax, provided that a proposal to repeal the tax may not be initiated more than once in any five-year period.

While the School District does not currently levy an income tax on its residents, this form of funding remains available to the School District. The Board does not, however, anticipate asking voters to approve an income tax in the near future.

SCHOOL DISTRICT DEBT AND DEBT LIMITATIONS

Statutory Debt Limitations Generally

The School District may issue voted general obligation bonds (such as the 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 the City and the 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 12% 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.

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, including renewal 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.

Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes, the proceeds of the sale of the bonds anticipated by such notes, from other available funds of the School District, or from a combination of these sources.

The ability of the School District to retire its outstanding bond anticipation notes from the proceeds of the sale of either renewal notes or bonds will be dependent upon the marketability of such renewal notes or bonds under market conditions then prevailing. Under present Ohio law, there is no ceiling on the annual interest rate permitted on general obligation notes and bonds of school districts.

None of the debt of the School District is currently in the form of general obligation bond anticipation notes.

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School District Debt Currently Outstanding

Upon issuance of the Bonds, the School District will have the following issues of bonds and notes outstanding (excluding the Refunded Bonds to be refunded by the Bonds):

Outstanding Debt Dublin City School District

Issue	Dated Date	Final Maturity	Balance Outstanding September 17, 2013
School Facilities Construction and Improvement Bonds, Series 2003	07/01/2003	12/01/2022	\$ 272,023.80
OASBO Energy Conservation Notes, Series 2004	06/17/2004	07/01/2019	4,246,000.00
School Facilities Construction and Improvement Bonds, Series 2005	02/01/2005	12/01/2018	6,519,215.90
School Facilities Construction and Improvement Bonds, Series 2005	07/19/2005	12/01/2022	2,379,977.90
School Facilities Construction and Improvement Bonds, Series 2006	08/22/2006	12/01/2020	7,555,000.00
Refunding Bonds, Series 2007	03/28/2007	12/01/2019	21,099,956.95
School Facilities Construction and Improvement & Refunding Bonds, Series 2007	09/25/2007	12/01/2019	23,110,000.00
School Facilities Construction and Improvement Bonds, Series 2009	03/03/2009	12/01/2026	14,139,999.50
Refunding Bonds, Series 2010	05/15/2010	12/01/2014	3,750,000.00
School Facilities Construction and Improvement Bonds, Series 2010	10/13/2010	12/01/2026	17,869,978.25
Energy Conservation Notes, Series 2010 (QSCB)	10/13/2010	12/01/2025	3,466,668.00
Energy Conservation Notes, Series 2011 (QSCB)	2/15/2011	12/01/2025	1,473,334.00
Various Purpose Bonds, Series 2011	10/26/2011	12/01/2028	24,489,970.10
Refunding Bonds, Series 2012	11/13/2012	12/01/2020	11,850,000.00
The Series 2013A Bonds	09/17/2013	12/01/2026	25,520,000.00
The Series 2013B Bonds	09/17/2013	12/01/2018	2,830,000.00
Total			\$170,572,124.40

Source: Dublin City School District

Debt Service Requirements

The following schedule presents the School District's actual debt service requirements for debt currently outstanding (excluding the Refunded Bonds) and the Bonds:

Debt Service Requirements Dublin City School District

Calendar Year	Outstanding Obligations		The Bonds		Total Debt Service ⁽²⁾	Net Debt Service ⁽³⁾
	Principal ⁽¹⁾	Interest ⁽²⁾	Principal	Interest		
2013	\$11,388,498.30	\$11,622,962.75	\$ 380,000.00	\$1,374,200.00	\$24,765,661.05	\$24,486,411.05
2014	14,436,728.75	10,738,347.00	40,000.00	1,366,600.00	26,581,675.75	26,302,425.75
2015	14,367,986.05	10,723,198.80	40,000.00	1,365,800.00	26,496,984.85	26,217,734.85
2016	15,402,957.45	6,571,726.10	2,235,000.00	1,364,650.00	25,574,333.55	25,295,083.55
2017	16,371,511.60	4,289,405.45	3,860,000.00	1,273,000.00	25,793,917.05	25,514,667.05
2018	16,524,392.90	3,773,317.45	4,765,000.00	1,086,850.00	26,149,560.35	25,870,310.35
2019	16,459,455.75	2,569,098.10	1,830,000.00	851,500.00	21,710,053.85	21,430,803.85
2020	8,225,613.50	1,912,535.50	4,505,000.00	760,000.00	15,403,149.00	15,123,899.00
2021	5,029,969.10	2,768,429.90	1,640,000.00	534,750.00	9,973,149.00	9,693,899.00
2022	6,329,999.00	1,346,400.00	1,720,000.00	452,750.00	9,849,149.00	9,569,899.00
2023	3,999,999.00	1,048,900.00	1,700,000.00	366,750.00	7,115,649.00	6,836,399.00
2024	4,159,999.00	889,868.75	1,790,000.00	281,750.00	7,121,617.75	6,842,367.75
2025	4,340,014.00	709,268.75	1,875,000.00	192,250.00	7,116,532.75	6,837,282.75
2026	4,105,000.00	240,062.50	1,970,000.00	98,500.00	6,413,562.50	6,413,562.50
2027	530,000.00	42,462.50	--	--	572,462.50	572,462.50
2028	550,000.00	19,937.50	--	--	569,937.50	569,937.50
Total	\$142,222,124.40	\$59,265,921.05	\$28,350,000.00	\$11,369,350.00	\$241,207,395.45	\$237,577,145.45

⁽¹⁾ Includes the mandatory sinking fund deposits on the \$4,000,000 Energy Conservation Notes, Series 2010 (the "2010 Notes"), and on the \$1,700,000 Energy Conservation Notes, Series 2011 (together with the 2010 Notes, the "Notes"). The Notes mature on December 1, 2025, and the Notes were issued as "qualified school construction bonds" under Section 54F of the Code.

⁽²⁾ Includes the gross interest on the Notes without deduction for the credits (equal to the stated interest paid on the Notes) that the School District expects to receive from the United States Department of the Treasury pursuant to Section 6431(f) of the Code (the "Direct Payments"). The Direct Payments expected to be paid through maturity of the Notes is \$3,490,625. Although it is the intention of the School District to use the Direct Payments to pay the debt service on the Notes, the School District is not required to do so under federal or State law.

⁽³⁾ Excludes the Direct Payments, which credits the School District expects to total \$3,490,625 through maturity of the Notes. Although it is the intention of the School District to use the Direct Payments to pay the debt service on the Notes, the School District is not required to do so under federal or State law.

An additional \$14,500,000 in bonds were authorized by the electors of the School District at the November 4, 2008 election and 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 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 self-supporting debt and debt payable primarily from enterprise revenues or special assessments) is as follows:

Overlapping Debt Dublin City School District

Overlapping Units	Estimated Outstanding Debt	Percent Applicable to School District	Estimated Amount of Overlapping Debt
Delaware County	\$ 22,824,000	6.53%	\$ 1,490,407
Franklin County	238,245,000	8.91	21,227,630
Union County	4,975,000	12.86	639,785
City of Columbus	867,664,444	5.53	47,981,844
City of Dublin	12,340,000	91.34	11,271,356
City of Hilliard	13,630,000	0.24	32,712
City of Upper Arlington	15,294,994	0.45	68,827
Washington Township	1,629,999	90.28	1,471,563
Tolles Career & Tech. Cent. JVSD	3,485,000	44.84	1,562,674
Total			\$85,746,798

Source: Ohio Municipal Advisory Council. Data as of June 20, 2013.

The following table shows the per capita debt of the residents in the School District based upon the 2010 U.S. Bureau of the Census figure of 77,648 people residing in the School District, the above overlapping indebtedness figures and the School District debt shown above, including the Bonds:

Debt Per Capita Dublin City School District

School District Debt, per capita	\$2,195.74
Overlapping Debt, per capita	1,104.30
Total Debt, per capita	\$3,300.04

Source: Ohio Municipal Advisory Council and Dublin City School District calculations

Debt Capacity Analysis

The following table provides an analysis of the School District's debt capacity as of September 17, 2013, excluding the Refunded Bonds and the Outstanding Notes to be refunded by the Bonds. The School District's tax valuation is calculated in accordance with Revised Code Section 133.01(PP) and is based on collection year 2013 data provided by the State Department of Taxation.

Debt Capacity Dublin City School District

A.	Tax valuation	\$2,905,344,070
B.	Total debt, including the Bonds but excluding the Refunded Bonds	170,572,125
C.	Exempt debt	0
D.	Total non-exempt debt (B minus C)	170,572,125
E.	1/10 of 1% direct debt limitation (1/10 of 1% of tax valuation)	2,905,344
F.	Total limited tax non-exempt bonds and notes outstanding (not including Revised Code Section 133.06(G) debt)	0
G.	Debt leeway within 1/10 of 1% unvoted debt limitation, but subject to indirect debt limitation (E minus F)	2,905,344
H.	9/10 of 1% direct debt limitation (Section 133.06(G) debt) (9/10 of 1% of tax valuation)	26,148,096
I.	Total Revised Code Section 133.06(G) debt	9,186,002
J.	Debt leeway within 9/10 of 1% unvoted debt limitation, but subject to indirect debt limitation (H minus I)	16,962,094
K.	9% direct debt limitation	261,480,966
L.	Debt leeway within 9% direct debt limitation (K minus D)*	90,908,841

* Debt leeway is determined without reference to applicable moneys in the School District's bond retirement fund.
Source: Franklin County Auditor, Ohio Department of Taxation, and Dublin City School District calculations

Lease Obligations

Under Ohio law, school districts have only the authority to lease or lease purchase any capital asset that is expressly granted by statute or necessarily implied from expressly granted authority. Express statutory authority exists for true leases (i.e., leases where no portion of the lease payment is applied toward the purchase of the capital asset) or lease-purchase or installment sale arrangements for the following: land, office equipment, school buses, administrative office facilities and buildings for any school district purpose. Except in cases where lease-purchase or installment sale arrangements include certain provisions providing that the obligations under such agreement may be terminated at the end of a fiscal year (e.g., a requirement of annual appropriation in order to extend the lease term beyond the current fiscal year), such agreements would constitute "debt" for purposes of the indirect debt limitation and the statutory direct debt limitations discussed more fully herein (see "SCHOOL DISTRICT DEBT AND DEBT LIMITATIONS - Statutory Debt Limitations Generally").

The School District currently leases several copiers. The payments on such leases are immaterial to the School District's overall financial position.

Future Financings

Of the \$50,000,000 of voted authority to issue bonds approved by the electors of the School District at the November 4, 2008 election, \$14,500,000 has not yet been issued, and the School District expects to issue this remaining \$14,500,000 in bonds in the future, although the timing has not yet been determined. The School District anticipates the need for additional capital improvements during the next five years, including additions to high school facilities, maintenance of facilities, and upgrading and replacing equipment.

FINANCES OF THE SCHOOL DISTRICT

Budgeting, Tax Levy and Appropriations Procedures

The Revised Code contains detailed provisions regarding School District budgeting, tax levy and appropriation procedures. These procedures involve review by County officials at several steps.

School District budgeting for a fiscal year formally begins with the preparation of a tax budget or alternative document as determined by the County Budget Commission, comprised of the County Auditor, County Treasurer and County Prosecuting Attorney. After a public hearing, this budget is adopted by the Board by the January 15th prior to the fiscal year to which it pertains. Among other items, the tax budget must show the amounts required for debt service, the estimated receipts for payment from sources other than ad valorem property taxes and the net amount for which an ad valorem property tax levy must be made. The tax budget then is presented for review by the Budget Commission. The Budget Commission holds a public hearing to review the budget, and issues, by March 1st, the Certificate of Estimated Resources which is the basis for School District appropriations and expenditures for the coming fiscal year.

Upon approval of the tax budget and issuance of the Certificate of Estimated Resources, the County Budget Commission certifies its actions to the Board together with the approved tax rates. Thereafter, the Board levies the approved taxes and certifies them to the proper County officials. The approved and certified tax rates are reflected in the tax bills sent to property owners during the collection year. Real property taxes are payable on a calendar year basis, generally in two installments with the first due usually in January and the second due in June or later.

At the start of each fiscal year, the Board adopts a temporary appropriation measure to begin that new fiscal year and then, within three months, a permanent appropriation measure for that fiscal year. Permanent appropriation measures may be amended or supplemented during the fiscal year. Annual appropriations may not exceed the County Budget Commission's official estimates of resources. The County Auditor must certify that the Board's appropriation measures, including any supplements or amendments, do not appropriate moneys in excess of the amount set forth in the latest of those official estimates.

The County serves as tax collector for the School District. Investments and deposits of County funds are also governed by Revised Code Chapter 135 (the "Uniform Depository Act"). The County Treasurer is responsible for those investments and deposits. The County's most recent audited financials contain a recitation of the County's current investment practices and can be obtained at the Ohio Auditor of State website: <http://www.auditor.state.oh.us/>.

Financial Reports and Audits

The School District's fiscal year is the twelve-month period beginning July 1 and ending June 30. The Board maintains its accounts, appropriations, and other fiscal records on the basis of generally accepted accounting principles ("GAAP").

The State Auditor is charged by law with the responsibility for auditing the financial statements of each taxing subdivision and most public agencies and institutions. A financial report for each fiscal year is required to be filed with the State Auditor pursuant to Revised Code Section 117.38. Such reports are required to be submitted to the State Auditor at the close of each fiscal year. At the time of filing of such report, the Treasurer is required to publish a notice that the report is completed and available for review in the Treasurer's office.

The most recent audit of the School District's financial statements by the State Auditor was completed through the fiscal year ending June 30, 2012 and was reviewed by the Board's administrative staff. The Auditor did not make any citations, require any adjustments, or make any findings for recovery. No bring-down procedures have been undertaken by the State Auditor since the date of the financial statements. The audited Basic Financial Statements for the Year Ended June 30, 2012 are attached hereto as APPENDIX B.

Governmental Accounting Standards Board pronouncements and Financial Accounting Standards Board pronouncements are the principal sources used to determine the accounting principles employed under GAAP. These publications, among other things, provide for a modified accrual basis of accounting for governmental funds and for a full accrual basis of accounting for proprietary funds and for each major and aggregated non-major fiduciary funds. The publications also further provide for the preparation of balance sheets for each major and non-major fund, and statements of revenues and expenditures, and changes in fund balances (major and aggregated non-major governmental funds) or statements of revenues, expenses and changes in retained earnings/equity (major and aggregated non-major proprietary funds) and statement of cash flows. The principles further require preparation of a statement of net assets and a statement of activities for the entity's business type and government type activities on the full accrual basis of accounting, and management's discussion and analysis of major events and transactions during the year.

Five-Year Projection

Boards of education are required to submit a five-year projection of operational revenues and expenditures (commonly known as the "five-year forecast") according to Department rules. Pursuant to such rules, the Department reviews the School District's five-year projection to determine if the School District has projected a deficit during the first three years of the five-year projection period. If the Department determines that further fiscal analysis is needed, the Department must forward the projection to the State Auditor, who will determine if the School District must be formally notified of a pending projected deficit. The School District must then take steps to eliminate any deficit in the current year and to plan to avoid projected deficits. The Board approved a five-year projection on May 28, 2013, a copy of which is attached hereto as APPENDIX C.

Deficit projections arising from the "five-year forecast" may have the effect of triggering certain fiscal oversight mechanisms created under State law.

Fiscal Oversight System

The State has created a fiscal oversight system designed to ensure the financial stability of public school districts so that they can continue to perform the vital governmental mission of educating children while meeting their ongoing obligations to creditors, employees, vendors and suppliers. Under this fiscal oversight system, a school district may be declared to be in a state of "fiscal caution," "fiscal watch," or "fiscal emergency" based on certain triggering criteria established by law. These triggering criteria relate primarily to the size of the school district's current and projected operating deficits, but also include an evaluation of the school district's financial practices and its effectiveness in taking the necessary corrective measures. Increasing levels of intervention and control are imposed with each successive determination, culminating (at the "fiscal emergency" level) in the creation of an independent governing board for the school district. This independent governing board, the Financial Planning and Supervision Commission ("FPSC"), is vested with extraordinary powers, including the power to remove the superintendent and/or the treasurer and to implement staff reductions which would otherwise violate existing collective bargaining agreements. The State Auditor may conduct a performance audit of a school district in fiscal caution, fiscal watch, or fiscal emergency at any time.¹

The School District is not subject to a declaration of fiscal caution, fiscal watch, or fiscal emergency, and is not subject to any directives from the State Auditor, the State Superintendent, or the FPSC arising from any prior declaration.

General Fund Operations

The General Fund is the main operating fund of the School District. It is the fund from which most of the School District's expenditures are paid and into which most of the School District's revenues are deposited. The School District derives most of its revenues from a tax on real and tangible personal property and from State aid, including the School Foundation Program. (See "OTHER SOURCES OF SCHOOL DISTRICT FUNDING – School Foundation Program.")

¹ For more information about the criteria the State Auditor and State Superintendent use to determine whether a school district should be placed on fiscal caution, fiscal watch, or fiscal emergency, please visit the State Auditor's website at <http://auditor.state.oh.us/LGS/FiscalWatchEmergency/SchoolFactSheet.htm>.

General Fund Set-Aside

Ohio school districts are required to establish the following set-aside within their General Fund:

Fund	Source and Amount of Balance	Purpose
Capital and Maintenance Fund ¹	3% ² of general fund revenues ³ using the state base-cost formula amount for the preceding fiscal year multiplied by the School District's student population for the preceding fiscal year	Acquisition, replacement, enhancement, maintenance, or repair of permanent improvements

¹ A school district may elect to set aside funds pursuant to previous law by notifying the State Auditor within 90 days of the beginning of the fiscal year of such election.

² A different percentage requirement may be set by the State Auditor.

³ A school district may elect to set aside funds from the proceeds of a permanent improvement levy instead of diverting funds from the general fund to meet this requirement.

Any balance remaining in the above funds at the end of the current fiscal year is carried over to the next fiscal year.

Investment of Funds

According to the Treasurer, all moneys of the School District, specifically moneys in the general fund, the bond retirement fund, and all project funds containing proceeds of any debt issuances of the School District (including the Bonds), are presently or will be invested in accordance with the requirements of Ohio law, and in particular the Uniform Depository Act. Under Revised Code Section 135.14, the School District may invest its funds, provided that such investments generally must mature or be redeemable within five years from the date of purchase. The classifications of obligations which are eligible for such investment by the School District range from investment in the State Treasury Asset Reserve of Ohio investment pool ("STAR Ohio") to investment in United States Treasury bills, commercial paper, certificates of deposit and bankers acceptances. Certain investment practices remain exclusive to those school districts whose fiscal officers have completed additional training in accordance with the Uniform Depository Act.

Further, pursuant to Revised Code Section 135.14, all investments of the School District, except for investments in securities in STAR Ohio and certain no-load money market mutual funds, must be made through members of the National Association of Securities Dealers, Inc., banks, savings banks, or savings and loan associations regulated by the State superintendent of financial institutions or through institutions regulated by the comptroller of the currency, Federal Deposit Insurance Corporation, or board of governors of the Federal Reserve System.

The School District interprets the limits on Federal guaranteed investments, bankers' acceptances, commercial paper and all other legal investments very conservatively. No moneys of the School District have ever been invested in interest-only obligations, reverse-repurchase obligations, inverse floater obligations, or other investment vehicles commonly referred to as derivative investments. No moneys of the School District are invested in obligations which mature later than the time at which it is reasonably expected that the School District will need access to such moneys in order to meet current financial commitments. The Treasurer has attended special training in all of the investment areas to assure strict compliance with the strictly conservative investment philosophy of the School District. All investments are transacted with banks or other financial institutions operating in the State. Complete detail of the current investment practices of the School District can be found in the most recent audited financial statements of the School District (see APPENDIX B herein).

School District Insurance

The School District maintains a \$362,691,583 blanket insurance coverage with private carriers for real property, building contents and vehicles with a \$5,000 deductible clause per occurrence. The School District also maintains several other property insurance policies with coverage for computer hardware, musical instruments, and miscellaneous equipment. In addition, the School District maintains liability coverage with a \$1,000 deductible and limits of \$1,000,000 per occurrence and \$2,000,000 in aggregate.

Ohio law provides immunity for political subdivisions such as the School District from liability in damages. The immunity covers 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. Included among such governmental functions is the design, construction, reconstruction, renovation, repair, maintenance, and operation of any school athletic facility, school auditorium, or gymnasium. 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 by employees engaged within the scope of their employment and authority; negligent performance of proprietary functions; negligent failure to keep public roads in repair, and other negligent failure to remove obstructions from public roads; negligence of employees due to physical defects 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.

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BASIC FINANCIAL STATEMENTS

**DUBLIN CITY SCHOOL DISTRICT
FRANKLIN, DELAWARE AND UNION COUNTIES, OHIO**

For the Fiscal Year Ended June 30, 2012



**DUBLIN CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2012



Dave Yost • Auditor of State

**DUBLIN CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

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**DUBLIN CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2012**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Receipts	Disbursements
U.S. DEPARTMENT OF AGRICULTURE <i>Passed Through Ohio Department of Education</i>			
Nutrition Cluster:			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555	\$ 167,954	\$ 167,954
Cash Assistance			
School Breakfast Program	10.553	168,743	168,743
National School Lunch Program	10.555	978,627	978,627
Total U.S. Department of Agriculture		<u>1,315,324</u>	<u>1,315,324</u>
U.S. Institute of Museums and Library Services <i>Passed Through the State Library of Ohio</i>			
Grants to States	45.310	2,220	25,193
U.S. Corporation for National and Community Service <i>Passed Through Ohio Department of Education</i>			
Learn & Serve America School & Community Based Programs	94.004	1,657	3,257
U.S. DEPARTMENT OF EDUCATION <i>Passed Through Ohio Department of Education</i>			
Title I, Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	1,193,871	1,213,336
ARRA - Title I Grants to Local Educational Agencies	84.389	59,415	75,313
Total Title I, Part A Cluster		<u>1,253,286</u>	<u>1,288,649</u>
Special Education Cluster:			
Special Education Grants to States	84.027	1,998,987	2,039,473
ARRA - Special Education Grants to States	84.391	291,307	331,355
Special Education Preschool Grant	84.173	27,090	27,635
ARRA - Special Education Preschool Grant	84.392	3,790	18,537
Total Special Education Cluster		<u>2,321,174</u>	<u>2,417,000</u>
Safe and Drug Free School and Communities State Grants	84.186	9,061	9,061
Title II D Educational Technology State Grants	84.318	8,555	8,555
Title III English Language Acquisition Grants	84.365	273,088	298,002
Title IIA Improving Teacher Quality State Grants	84.367	184,200	186,582
School Improvement Grant	84.377	-	20,800
ARRA - State Fiscal Stabilization Fund	84.394	-	101,089
ARRA- Race to the Top	84.395	191,028	187,286
Education Jobs Fund	84.410	690,146	666,399
Total U.S. Department of Education		<u>4,930,538</u>	<u>5,183,423</u>
Total		<u>\$ 6,249,739</u>	<u>\$ 6,527,197</u>

The accompanying notes are an integral part of this schedule.

**DUBLIN CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2012**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

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

NOTE C – FOOD DONATION PROGRAM

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



Dave Yost • Auditor of State

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

Dublin City School District
Franklin County
7030 Coffman Road
Dublin, Ohio 43017

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Dublin City School District, Franklin County, Ohio, (the District) as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 12, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts.

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However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note a certain matter not requiring inclusion in this report that we reported to the District's management in a separate letter dated December 12, 2012.

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

A handwritten signature in black ink, appearing to read "Dave Yost". The signature is fluid and cursive, with a large, sweeping "D" and a long, trailing "Y" that loops back under the "st".

Dave Yost
Auditor of State

December 12, 2012



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE

Dublin City School District
Franklin County
7030 Coffman Road
Dublin, Ohio 43017

To the Board of Education:

Compliance

We have audited the compliance of Dublin City School District, Franklin County, Ohio (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of Dublin City School District's major federal programs for the year ended June 30, 2012. The *summary of auditor's results* section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the District's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with these requirements.

In our opinion, Dublin City School District complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

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

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

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

We noted matters involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the District's management in a separate letter dated December 12, 2012.

Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Dublin City School District (the District) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 12, 2012. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The accompanying federal awards receipts and expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Dave Yost
Auditor of State

December 12, 2012

**DUBLIN CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2012**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	No
(d)(1)(vii)	Major Programs (list):	Nutrition Cluster CFDA #10.553, CFDA #10.555 Race to the Top CFDA #84.395 Education Jobs Fund CFDA #84.410
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Dublin City School District
Franklin County
7030 Coffman Road
Dublin, Ohio 43017

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Dublin City School District, Franklin County, Ohio (the District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Dublin City School District, Franklin County, Ohio, as of June 30, 2012, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



Dave Yost
Auditor of State

December 12, 2012

Dublin City School District
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2012.

Financial Highlights

The District's net assets increased by approximately \$1,723,000 or 2.4%. Program revenues accounted for \$13.54 million or 6.9% of total revenues, and general revenues accounted for approximately \$181.85 million or 93.1%.

The general fund reported a positive fund balance of approximately \$64.42 million.

Using this Comprehensive Annual Financial Report

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

Reporting the District as a Whole

The Statement of Net Assets and Statement of Activities

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net assets and changes in them. The change in net assets provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the District.

Dublin City School District
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds begins on page 28. The fund financial statements begin on page 38 and provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by state statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's three types of funds, governmental, proprietary, and fiduciary, use different accounting approaches as further described in the notes to the financial statements.

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 other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

Proprietary Funds

Proprietary funds use the accrual basis of accounting, which is the same as is used on the entity-wide statements, therefore the statements will essentially match the business-type activities portion of the entity-wide statements.

Fiduciary Funds

The District is the trustee, or fiduciary, for its scholarship program listed as private purpose trust. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on page 47. We exclude these activities from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$73.28 million at the close of the most recent fiscal year.

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A portion of the District's net assets (9.9%) reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A comparative analysis of fiscal year 2012 to 2011 follows:

	Net Assets (Amounts expressed in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current Assets and Other	\$300,811	\$311,397	\$ 689	\$ 597	\$301,500	\$311,994
Capital Assets	<u>175,591</u>	<u>179,924</u>	<u>420</u>	<u>461</u>	<u>176,011</u>	<u>180,385</u>
Total Assets	<u>476,402</u>	<u>491,321</u>	<u>1,109</u>	<u>1,058</u>	<u>477,511</u>	<u>492,379</u>
Current Liabilities	191,996	196,716	221	228	192,217	196,944
Long-Term Liabilities	<u>211,932</u>	<u>223,797</u>	<u>78</u>	<u>77</u>	<u>212,010</u>	<u>223,874</u>
Total Liabilities	<u>403,928</u>	<u>420,513</u>	<u>299</u>	<u>305</u>	<u>404,227</u>	<u>420,818</u>
Net Assets:						
Invested in Capital						
Assets, Net of Debt	6,812	4,410	420	461	7,232	4,871
Restricted	18,197	20,379	0	0	18,197	20,379
Unrestricted	<u>47,465</u>	<u>46,019</u>	<u>390</u>	<u>292</u>	<u>47,855</u>	<u>46,311</u>
Total Net Assets	<u>\$ 72,474</u>	<u>\$ 70,808</u>	<u>\$ 810</u>	<u>\$ 753</u>	<u>\$ 73,284</u>	<u>\$ 71,561</u>

An additional portion of the District's net assets (24.8%) represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the District's ongoing activities.

The District is able to report, this year as well as last year, positive balances in all three areas of net assets for both the government as a whole, as well as for its separate governmental activities and business type activities.

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	Changes in Net Assets (Amounts expressed in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program Revenues						
Charges for Services	\$3,278	\$3,107	\$3,864	\$3,942	\$7,142	\$7,049
Operating Grants	5,234	6,790	1,168	1,054	6,402	7,844
Total Program Revenues	<u>8,512</u>	<u>9,897</u>	<u>5,032</u>	<u>4,996</u>	<u>13,544</u>	<u>14,893</u>
General Revenues						
Property Taxes	147,529	148,245	0	0	147,529	148,245
Grants and Entitlements	33,841	38,250	0	0	33,841	38,250
Investment Earnings	183	957	0	1	183	958
Miscellaneous	295	899	0	0	295	899
Total General Revenues	<u>181,848</u>	<u>188,351</u>	<u>0</u>	<u>1</u>	<u>181,848</u>	<u>188,352</u>
Total Revenues	<u>190,360</u>	<u>198,248</u>	<u>5,032</u>	<u>4,997</u>	<u>195,392</u>	<u>203,245</u>
Expenses						
Program Expenses						
Instruction						
Regular	79,784	79,877	0	0	79,784	79,877
Special	22,136	22,053	0	0	22,136	22,053
Vocational	242	239	0	0	242	239
Other	0	115	0	0	0	115
Support Services						
Pupil	10,934	10,601	0	0	10,934	10,601
Instructional Staff	16,998	16,467	0	0	16,998	16,467
General Administration	191	171	0	0	191	171
School Administration	11,908	12,062	0	0	11,908	12,062
Fiscal	3,380	3,719	0	0	3,380	3,719
Business	979	921	0	0	979	921
Maintenance	13,480	14,875	0	0	13,480	14,875
Pupil Transportation	9,226	8,713	0	0	9,226	8,713
Central	5,921	5,622	0	0	5,921	5,622
Community Services	644	614	0	0	644	614
Extracurricular Activities	5,066	5,313	0	0	5,066	5,313
Interest on Long-term Debt	7,627	8,023	0	0	7,627	8,023
Miscellaneous	70	14	0	0	70	14
Food Service	0	0	4,845	4,793	4,845	4,793
Community Education	0	0	78	71	78	71
Summer School	0	0	160	153	160	153
Total Expenses	<u>188,586</u>	<u>189,399</u>	<u>5,083</u>	<u>5,017</u>	<u>193,669</u>	<u>194,416</u>
Excess before Transfers	1,774	8,849	(51)	(20)	1,723	8,829
Transfers	<u>(109)</u>	<u>(89)</u>	<u>109</u>	<u>89</u>	<u>0</u>	<u>0</u>
Change in Net Assets	<u>\$ 1,665</u>	<u>\$ 8,760</u>	<u>\$ 58</u>	<u>\$ 69</u>	<u>\$ 1,723</u>	<u>\$ 8,829</u>
Ending Net Assets	<u>\$ 72,474</u>	<u>\$ 70,809</u>	<u>\$ 810</u>	<u>\$ 752</u>	<u>\$ 73,284</u>	<u>\$ 71,561</u>

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Governmental Activities

Net assets of the District's governmental activities increased by \$1.66 million and unrestricted net assets reflect a positive balance of approximately \$47.47 million. Program Revenues decreased by \$1.38 million due to the ending of federal stimulus programs in Title VI-B, Title I, and Preschool. Property tax revenues decreased by \$0.72 million compared to the prior year due to revenues accrual adjustments made on a full accrual basis. Grants and Entitlements were also lower by almost \$4.41 million primarily due to the ending federal State Fiscal Stabilization Funds that had supported the State Foundation the past two fiscal years and the accelerated phase out of tangible personal property tax reimbursements. In addition, the persisting weak investment environment equated to declines in the Investment income of \$0.77 million. The District was still able to report an increase in net assets for fiscal year 2012. The District had salary give backs from certified, classified, and administrative staff as well as reduced 23 full-time equivalent employees prior to the close of the fiscal year in response to voter rejection of the November 2011 levy. Decreased interest costs due to paying down of debt, reduced maintenance and fiscal costs from winding down of bond levy 2008 construction and maintenance projects, less depreciation expenses, and lower energy costs from energy conservation project improvements and a milder than expected winter also aided the District in reducing expenses. In total, expenses decreased by \$0.81 million, which helped the District increase its net assets.

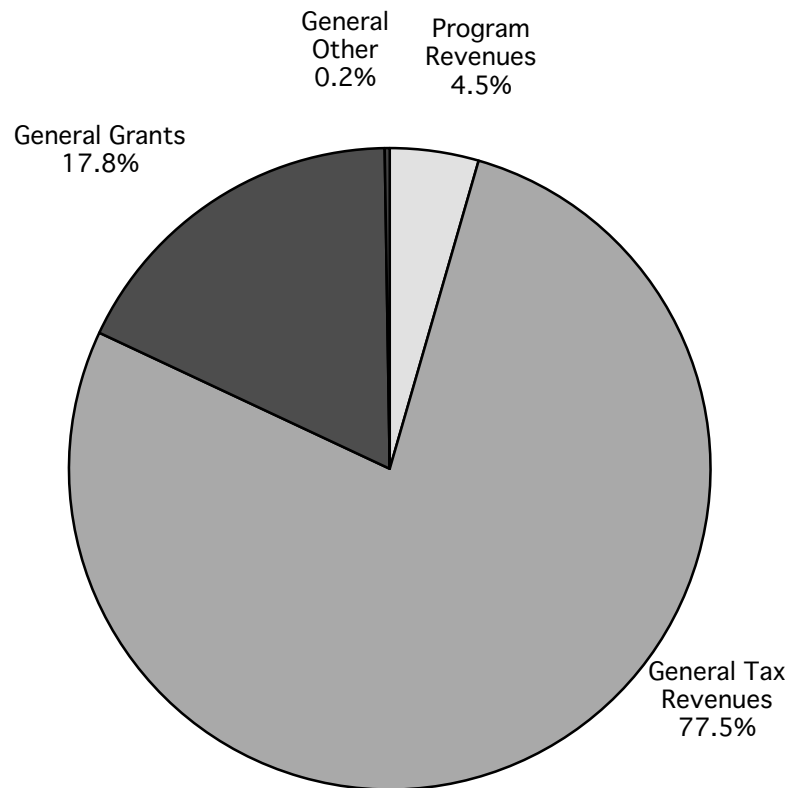
The property tax laws in Ohio create the need to periodically seek voter approval for additional operating funds. Tax revenues generated from a levy do not increase as a result of inflation. An operating levy is approved for a fixed millage rate, but the rate is reduced for inflation with the effect of providing the District the same amount of tax dollars as originally approved. Therefore school districts such as ours that are dependent upon property taxes as a primary source of revenue must periodically return to the ballot and ask voters for additional resources to maintain current programs. Since the District must rely heavily on voter approval of operating tax issues management of the resources is of paramount concern to District administration and the voting public. The District utilizes a five-year cash financial forecast to estimate revenues and control expenses to assure tax levy revenues can maintain operations for a significant period of time.

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The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The table below reflects the cost of program services and the net cost of those services after taking into account the program revenues for the governmental activities (amounts expressed in thousands). General revenues including tax revenue, investment earnings and unrestricted State entitlements must support the net cost of program services.

	Total Cost of Services 2012	Net Cost of Services 2012	Total Cost of Services 2011	Net Cost of Services 2011
Program Expenses				
Instruction				
Regular	\$ 79,784	\$ 79,056	\$ 79,877	\$ 79,063
Special	22,136	19,622	22,053	18,868
Vocational	242	227	239	206
Other	0	0	115	115
Support Services				
Pupil	10,934	10,352	10,601	9,720
Instructional Staff	16,998	16,107	16,467	15,295
General Administration	191	191	171	170
School Administration	11,908	11,266	12,062	11,225
Fiscal Services	3,380	3,380	3,719	3,719
Business	979	979	921	921
Maintenance	13,480	12,918	14,875	14,335
Pupil Transportation	9,226	8,728	8,713	8,338
Central	5,921	5,921	5,622	5,614
Community Services	644	101	614	103
Extracurricular Activities	5,066	3,529	5,313	3,773
Interest on Long-term Debt	7,627	7,627	8,023	8,023
Miscellaneous	70	70	14	14
Total Expenses	<u>\$ 188,586</u>	<u>\$ 180,074</u>	<u>\$ 189,399</u>	<u>\$ 179,502</u>

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The District's reliance upon tax revenues is demonstrated by the graph above that indicates 77.5% of total revenues for governmental activities come from local taxes. The reliance on general revenues to support governmental activities is indicated by the net services column reflecting the need for \$180.07 million of support as well as the graph indicating general revenues comprise 95.5% of total revenues.

Business-Type Activities

Business-type activities include food service, community education, and summer school. These programs had an increase in net assets of \$57,713 for the fiscal year. The increase was primarily due to another successful year for the District's community education classes, which had revenues exceed expenses by \$45,509. In addition, transfers of contributed capital into the food service department and transfers of funds into the summer school department offset revenue shortfalls from normal operations aided the increase in net assets. Summer school expenses did exceed revenues for the fiscal year, and the District will review the situation to curtail expenses and/or raise prices to prevent this situation in the future.

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The District's Funds

The District's governmental funds (as presented on the balance sheet on page 38) reported a combined fund balance of \$90.99 million, which decreased from last year's total of \$100.19 million. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2012 and 2011.

	Fund Balance June 30, 2012	Fund Balance June 30, 2011	Increase (Decrease)
General	\$ 64,417,079	\$ 66,499,523	(\$ 2,082,444)
Debt Service	17,512,965	19,054,555	(1,541,590)
Capital Projects	6,638,213	12,478,096	(5,839,883)
Other Governmental	2,426,539	2,160,445	266,094
Total	<u>\$ 90,994,796</u>	<u>\$ 100,192,619</u>	<u>(\$ 9,197,823)</u>

General Fund

The decrease in the District's General Fund fund balance is due to many factors. The tables and graphs that follow assist in illustrating the financial activities and balance of the General Fund.

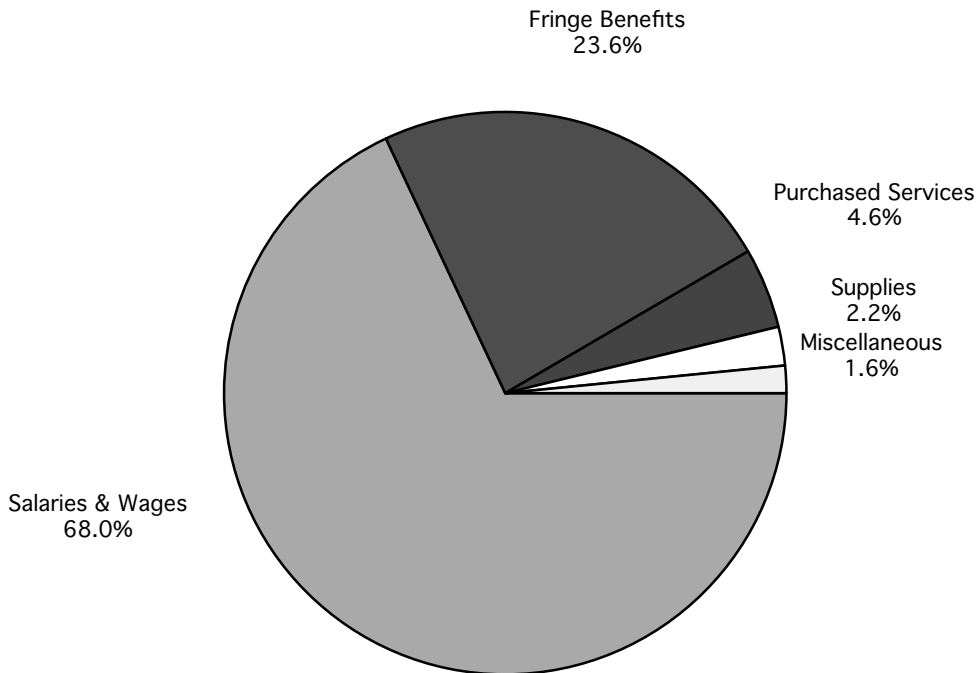
	2012 Amount	2011 Amount	Percentage Change
Revenues			
Taxes	\$ 127,409,324	\$ 125,886,079	1.21%
Earnings on Investments	219,730	1,028,157	(78.63)
Intergovernmental – State	32,221,219	34,560,435	(6.77)
Other Revenues	1,350,414	1,902,026	(29.00)
Total	<u>\$ 161,200,687</u>	<u>\$ 163,376,697</u>	<u>(1.33)%</u>

The property tax revenues are up \$1.52 million due primarily to several Board of Revision settlements and an increase in the District's tax base from new construction. The District anticipates tax collections will remain steady in fiscal year 2013 as compared to fiscal year 2012. The continuing weak interest rate environment is apparent with the District earning \$808,427 less in fiscal year 2012 compared to the prior year.

State intergovernmental revenues are down due to accelerated phase out of tangible personal property tax reimbursement from the state, which amounts to approximately \$2.90 million reduction per year. For fiscal year 2012, this reduction was partially offset by a state foundation adjustment and the "Efficiency and Academic Supplement" that is built into the current biennium budget, which equaled approximately \$500,000. Other revenues include rentals, pay-to-participate fees, tuition and fees, and other miscellaneous revenues. In the prior year, approximately \$600,000 of miscellaneous revenue was reported in the general fund, which were needed to pay for the District's contingent insurance premium obligation. The current fiscal year revenues are consistent with historical patterns.

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As the graph below illustrates, the largest portions of general fund expenditures are for salaries and fringe benefits. The District is a service entity and as such is labor intensive.



<i>Expenditures by Object</i>	<i>2012 Amount</i>	<i>2011 Amount</i>	<i>Percentage Change</i>
Salaries and Wages	\$ 110,695,204	\$ 110,658,284	0.03%
Fringe Benefits	38,340,974	35,994,528	6.52
Purchased Services	7,509,378	7,509,502	0.00
Supplies	3,623,313	4,204,948	(13.83)
Capital Outlay	183,634	316,776	(42.03)
Miscellaneous	2,371,248	2,608,177	(9.08)
Total	<u>\$ 162,723,751</u>	<u>\$ 161,292,215</u>	<u>0.89%</u>

Expenditures are up approximately \$1.43 million or 0.89% over the prior year due to fringe benefit increases related to health insurance rate increases of approximately \$1.76 million. This increase was offset, however, by a \$0.58 million decrease in supplies and materials, which is due to less costly textbook purchases and reductions in staff instructional supplies. Overall, expenditures exceeded revenues during the fiscal year resulting in a decrease in the General Fund fund balance and contributed to a decline the financial health of the District.

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Other Funds

The District's debt service fund balance decreased by approximately \$1.54 million. This decrease is due to lower than expected property value growth. The revenues of the fund are property taxes, calculated by the county auditor, and state homestead and rollback money computed as a percentage of the tax due to the fund. The expenses of the fund include debt principal and interest payments as well as county auditor and treasurer fees. Tax collections are still expected to remain steady and adequate to meet current debt requirements.

The capital projects fund balance decreased by approximately \$5.84 million. The issuance of new bond proceeds and the corresponding spending down of received resources received in conjunction with the November 2008 bond issue approved by voters and energy conservation projects being close to completion, caused the decrease for the fiscal year. This is a normal occurrence and is not indicative of diminishing financial health. Ultimately, the entire amount of capital from this bond issues will be issued and subsequently will be spent.

Other governmental funds consist of special revenue funds. The increase in fund balance is primarily due to the District receipt of approximately \$210,000 to establish the Education Foundation Fund in the other governmental funds. In addition, the District's public support funds, which are Board approved accounts where revenues are collected/raised for and restricted to specific school programs (Synthetic Field, Preschool, High School Theater), received more revenues than the spent on these activities for the second year in a row.

General Fund Budget Information

The District's budget is prepared in accordance with Ohio law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

The District amended its revenue estimates to reflect greater than originally anticipated revenues from taxes, state funding, and tuition and fees. Variances between other revenue sources were nominal. The final budget for expenditures decreased by approximately \$4.27 million over the original budget primarily due to lower than expected expenditures for salaries and wages, fringe benefits, and supplies. Other appropriations required changes in functional categories due to spending patterns.

The District utilizes the five-year forecast as the original document from which to form the operating budget. After updating of the forecast for changes in revenue and expenditure assumptions the operating budget begins at the school level. Each school in the District receives a per pupil allocation augmented with resources for special education students in the specific buildings. The departments then receive the remainder of funds to bring the budget into balance with the five-year forecast. The site and department budgets are reviewed periodically to ensure management becomes aware of any significant variations during the year.

Capital Assets

The District has approximately \$176.01 million invested in capital assets, net of depreciation, with \$175.59 million attributed to governmental activities. Acquisitions for governmental activities

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totaled \$3.79 million and depreciation was \$8.10 million. The majority of the acquisitions were for, building improvements and replacement equipment throughout the District. Detailed information regarding capital asset activity is included in the notes to the basic financial statements (Note 9).

During fiscal year 2012, the District completed much of the energy conservation infrastructure improvements and equipment replacement, which accounted for much of the capitalized acquisitions.

On November 4, 2008, the District passed a bond issue in the amount of \$50.0 million. This issue has funded additional facilities, security improvements to buildings, technology upgrades, equipment replacement, and maintenance of existing facilities, and will continue to provide resources to replace equipment and make repairs as has been set forth in the capital improvement plan of the bond package.

Debt

At June 30, 2012, the District had \$199.63 million in outstanding bonds, unamortized bond premiums, and notes payable. The District paid \$16.76 million in principal on bonds outstanding, \$5.50 million in notes payable, and \$6.22 million in interest during the fiscal year. The District also advance refunded \$19.05 million of its 2003 issue, which resulted in cash flows of \$950,128 of the next 11 years and resulted in economic gains of \$930,368. In addition, the District had a balance of approximately \$7.93 million in unamortized bond premiums, which will continue to be amortized over the life of the applicable bonds. Detailed information regarding long term debt and notes payable activity is included in the notes to the basic financial statements (Notes 10, 11, & 22).

The bond issue passed in November of 2008, over time will increase the debt service requirements of the District. The District, by managing the timing of debt issuance, has been able to issue \$35.5 million of the approved \$50.0 million without increasing the tax burden on current taxpayers. The "no new millage" concept results in keeping the current tax rate in effect by utilizing the increasing tax base in conjunction with current debt reduction. The additional \$14.5 million has been set aside for the construction of Elementary XIII, which has been put on hold for an indefinite period of time. At the time that these remaining bonds are issued the District anticipates the "no new millage" concept will apply. The District, in the last fourteen years, has been able to rely on this method of funding for over \$291.5 million in general obligation debt issuance while maintaining the tax rate of current taxpayers.

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total value of real and personal property. At June 30, 2012, the District's general obligation debt was below the legal limit.

Restrictions and Other Limitations

With the passage of the November 2004 and 2008 operating levies and the November 2000, 2004, and 2008 bond issues, the District is in a good financial position through fiscal year 2013. The operating levy combined with the bond issue provides the necessary funds for the District to manage current growth patterns while maintaining the educational program and the facilities. However, the future financial stability of the District is not without challenges

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The first challenge is for management to ensure resources can be preserved as long as possible. The five-year forecast of the general fund and the five-year capital plan is utilized by management as a tool to manage resources effectively.

The second challenge facing the District is based in the local economy. The District has experienced significant growth over the last 20 years. If the growth patterns in student population change so additional students enter the District more than currently anticipated, adjustments will have to be made to the financial models upon which assumptions have been made. This scenario or local and statewide economic slowdown could cause the District to scale down the educational program offerings or seek additional resources.

The last challenge facing the District is the current economic climate and the future of state funding for education in Ohio. The State legislature adopted HB 66 in June 2005, which established provisions to eliminate tangible personal property tax revenue. The State had provisions to "hold harmless" through fiscal year 2013, and then begin phasing out these payments. In the State's current biennium budget, however, it accelerated the phase-out rate of "hold harmless" payments, which began in fiscal year 2012. The decrease in tangible personal property reimbursements for the biennium equaled a \$2.90 million reduction in fiscal year 2012 and an additional \$2.90 million is expected in fiscal year 2013 with complete elimination possible in subsequent years. The District anticipates that state foundation funding will remain steady with flat funding over the next years, however, as the state discusses moving to a new funding formula in the next biennium, there is the potential to see further reductions.

The District carefully prepares its five-year forecast with the best information available, and utilizes the forecast for financial planning. The administration will continue to monitor federal, state, and local issues that affect the finances of the District and take necessary actions to maintain the long-term stability of the District.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Treasurer's Office at Dublin City School District, 7030 Coffman Road, Dublin, OH 43017 or call (614) 764-5913.

Dublin City School District, Ohio
Statement of Net Assets
as of June 30, 2012

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Assets			
Cash and Cash Equivalents	\$59,864,493	\$622,618	\$60,487,111
Receivables			
Taxes - Current	222,597,137	-	222,597,137
Taxes - Delinquent	14,156,828	-	14,156,828
Accounts	54,431	7,569	62,000
Accrued Interest	45,787	-	45,787
Intergovernmental - Federal	857,145	-	857,145
Deferred Charge - Debt Refunding	2,058,506	-	2,058,506
Deferred Issuance Costs	1,035,401	-	1,035,401
Materials & Supplies Inventory	141,500	59,180	200,680
Land	12,044,021	-	12,044,021
Other Capital Assets, Net	163,547,021	419,658	163,966,679
Total Assets	<u>476,402,270</u>	<u>1,109,025</u>	<u>477,511,295</u>
Liabilities			
Accounts Payable	955,244	64,741	1,019,985
Claims Payable	33,209	-	33,209
Accrued Wages and Benefits	15,587,461	119,761	15,707,222
Due to Retirement Systems	2,149,484	16,531	2,166,015
Interest Payable	483,259	-	483,259
Unearned Revenue	172,787,806	19,833	172,807,639
Long-Term Liabilities			
Due within One Year	19,976,972	-	19,976,972
Due in More Than One Year	191,954,965	77,927	192,032,892
Total Liabilities	<u>403,928,400</u>	<u>298,793</u>	<u>404,227,193</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	6,811,490	419,658	7,231,148
Restricted for:			
Debt Service	17,189,716	-	17,189,716
Capital Projects	311,846	-	311,846
Education Foundation	210,429	-	210,429
Non-Public Schools	35,762	-	35,762
Special Education	268,946	-	268,946
Targeted Assistance	99,184	-	99,184
Other Purposes	81,093	-	81,093
Unrestricted	47,465,404	390,574	47,855,978
Total Net Assets	<u>\$72,473,870</u>	<u>\$810,232</u>	<u>\$73,284,102</u>

The notes to the financial statements are an integral part of this statement.

Dublin City School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2012

		Program Revenues	
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>
Governmental Activities			
Instruction			
Regular	\$79,783,757	\$525,479	\$201,743
Special	22,136,066	353,557	2,160,536
Vocational	242,298	-	15,530
Support Services			
Pupils	10,933,815	255,508	326,736
Instructional Staff	16,997,614	27,802	862,978
General Administration	190,947	-	-
School Administration	11,907,470	-	641,610
Fiscal Services	3,380,379	-	-
Business	979,394	-	-
Maintenance	13,480,127	562,376	-
Pupil Transportation	9,225,535	1,770	495,620
Central	5,920,985	-	-
Community Services	644,052	13,757	529,722
Extra Curricular Activities	5,065,991	1,537,274	-
Interest on Long-term Debt	7,627,237	-	-
Miscellaneous	70,112	-	-
Total Governmental Activities	<u>188,585,779</u>	<u>3,277,523</u>	<u>5,234,475</u>
Business-Type Activities			
Food Service	4,845,118	3,650,071	1,168,167
Community Education	78,205	123,714	-
Summer School	159,548	89,807	-
Total Business-Type Activities	<u>5,082,871</u>	<u>3,863,592</u>	<u>1,168,167</u>
Totals	<u>\$193,668,650</u>	<u>\$7,141,115</u>	<u>\$6,402,642</u>

General Revenues

Property Taxes Levied for:
 General Purposes
 Debt Service
Grants & Entitlements not Restricted to Specific Programs
Investment Earnings
Miscellaneous
Total General Revenues

Transfers

Change in Net Assets
Net Assets Beginning of Year
Net Assets End of Year

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$79,056,535)	\$ -	(\$79,056,535)
(19,621,973)	-	(19,621,973)
(226,768)	-	(226,768)
(10,351,571)	-	(10,351,571)
(16,106,834)	-	(16,106,834)
(190,947)	-	(190,947)
(11,265,860)	-	(11,265,860)
(3,380,379)	-	(3,380,379)
(979,394)	-	(979,394)
(12,917,751)	-	(12,917,751)
(8,728,145)	-	(8,728,145)
(5,920,985)	-	(5,920,985)
(100,573)	-	(100,573)
(3,528,717)	-	(3,528,717)
(7,627,237)	-	(7,627,237)
(70,112)	-	(70,112)
<u>(180,073,781)</u>	<u>-</u>	<u>(180,073,781)</u>
-	(26,880)	(26,880)
-	45,509	45,509
-	(69,741)	(69,741)
<u>-</u>	<u>(51,112)</u>	<u>(51,112)</u>
<u>(\$180,073,781)</u>	<u>(\$51,112)</u>	<u>(\$180,124,893)</u>
128,597,760	-	128,597,760
18,930,881	-	18,930,881
33,841,013	-	33,841,013
183,027	265	183,292
295,343	-	295,343
<u>181,848,024</u>	<u>265</u>	<u>181,848,289</u>
(108,560)	108,560	-
1,665,683	57,713	1,723,396
70,808,187	752,519	71,560,706
<u>\$72,473,870</u>	<u>\$810,232</u>	<u>\$73,284,102</u>

Dublin City School District, Ohio
Balance Sheet
Governmental Funds
as of June 30, 2012

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 39,335,345	\$ 11,110,356	\$ 6,754,607	\$ 2,309,195	\$ 59,509,503
Receivables (net of allowances for uncollectibles)					
Taxes - Current	193,823,760	28,773,377	-	-	222,597,137
Taxes - Delinquent	12,339,610	1,817,218	-	-	14,156,828
Accounts	28,280	-	-	26,151	54,431
Accrued Interest	45,787	-	-	-	45,787
Intergovernmental - Federal	-	-	-	857,145	857,145
Interfund Loan Receivable	39,000	-	-	-	39,000
Materials and Supplies Inventory	141,500	-	-	-	141,500
Total assets	245,753,282	41,700,951	6,754,607	3,192,491	297,401,331
Liabilities:					
Accounts Payable	762,342	-	116,394	76,459	955,195
Accrued Wages and Benefits	15,083,263	-	-	504,198	15,587,461
Due to Other Governments	2,079,122	-	-	70,362	2,149,484
Compensated Absences Payable	1,043,457	-	-	-	1,043,457
Interfund Loans Payable	-	-	-	39,000	39,000
Deferred Revenue	162,368,019	24,187,986	-	75,933	186,631,938
Total Liabilities	181,336,203	24,187,986	116,394	765,952	206,406,535
Fund Balances					
Nonspendable					
Inventory	141,500	-	-	-	141,500
Restricted for:					
Debt Service	-	17,512,965	-	-	17,512,965
Facilities Construction & Maintenance	-	-	206,782	-	206,782
Education Foundation	-	-	-	210,429	210,429
Extracurricular Activities	-	-	-	386,034	386,034
Non-public Schools	-	-	-	35,762	35,762
Special Education	-	-	-	258,614	258,614
Targeted Academic Assistance	-	-	-	42,829	42,829
Other Purposes	-	-	105,064	71,847	176,911
Committed to:					
Facilities Construction & Maintenance	-	-	2,766,087	-	2,766,087
Equipment Replacement	-	-	3,216,656	-	3,216,656
Technology	-	-	343,624	-	343,624
Student and Staff Support	-	-	-	1,421,252	1,421,252
Assigned to:					
Future Appropriations	39,156,431	-	-	-	39,156,431
Graded Course of Study	1,122,362	-	-	-	1,122,362
Student Instruction	154,095	-	-	-	154,095
Student and Staff Support	167,249	-	-	-	167,249
Facilities Construction & Maintenance	404,915	-	-	-	404,915
Other Purposes	149,167	-	-	-	149,167
Unassigned	23,121,360	-	-	(228)	23,121,132
Total fund balances	64,417,079	17,512,965	6,638,213	2,426,539	90,994,796
Total liabilities and fund balances	\$ 245,753,282	\$ 41,700,951	\$ 6,754,607	\$ 3,192,491	\$ 297,401,331

The notes to the financial statements are an integral part of this statement.

Dublin City School District, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2012

Total Governmental Fund Balances	\$90,994,796
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	175,591,042
Other assets are not available to pay for current period expenditures and therefore are deferred in the funds.	13,844,132
Bond issuance costs associated with bonds payable, are recorded as a deferred charge on the accrual basis but are not reported in the funds.	1,035,401
Deferred Charge - Debt Refunding associated with advance refunded debt held in escrow are recorded on the accrual basis but are not reported in the funds.	2,058,506
An internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	321,732
Long-Term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	

Amortized Bond Premiums	(7,927,124)
Interest Payable	(483,259)
Compensated Absences	(11,259,971)
General Obligation Debt	(191,701,385)
	(211,371,739)

<i>Net Assets of Governmental Activities</i>	<u><u>\$72,473,870</u></u>
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The notes to the financial statements are an integral part of this statement.

Dublin City School District, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2012

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:					
From local sources					
Taxes	\$ 127,409,324	\$ 18,770,871	\$ -	\$ -	\$ 146,180,195
Tuition	570,407	-	-	114,406	684,813
Earnings on Investments	219,730	-	3,376	119	223,225
Other local	767,940	-	-	1,961,742	2,729,682
Intergovernmental - State	32,221,219	1,973,229	-	514,992	34,709,440
Intergovernmental - Federal	-	-	-	4,929,741	4,929,741
Other revenue	12,067	8,001	95,026	9,618	124,712
Total Revenues	161,200,687	20,752,101	98,402	7,530,618	189,581,808
Expenditures:					
Current:					
Instruction					
Regular	78,187,771	-	88,376	780,637	79,056,784
Special	19,728,135	-	-	2,374,604	22,102,739
Vocational	227,169	-	-	14,646	241,815
Support Services					
Pupils	10,075,137	-	-	677,263	10,752,400
Instructional Staff	14,093,396	-	862,054	882,973	15,838,423
General Administration	190,947	-	-	-	190,947
School Administration	10,896,260	-	117,411	666,996	11,680,667
Fiscal Services	3,058,460	237,820	45,552	-	3,341,832
Business	948,865	-	-	8,334	957,199
Maintenance	12,266,367	-	915,833	4,713	13,186,913
Pupil Transportation	8,353,357	-	2,062	143,475	8,498,894
Central	475,383	-	811	4,576	480,770
Community Services	32,515	-	-	590,694	623,209
Extra Curricular Activities	3,973,443	-	-	1,026,699	5,000,142
Facilities Acquisition & Construction	-	-	304,382	-	304,382
Miscellaneous	8,670	-	-	61,442	70,112
Capital Outlay	183,634	-	3,509,221	94,879	3,787,734
Debt Service:					
Principal Retirement	23,698	22,255,000	89,840	-	22,368,538
Interest and Fiscal Charges	544	6,222,667	2,743	-	6,225,954
Total Expenditures	162,723,751	28,715,487	5,938,285	7,331,931	204,709,454
Excess (deficiency) of revenue over (under) expenditures	(1,523,064)	(7,963,386)	(5,839,883)	198,687	(15,127,646)
Other Financing (Sources) Uses					
Transfers in	-	380,000	-	67,407	447,407
Transfers (out)	(492,407)	-	-	-	(492,407)
Premium and interest on Bonds sold	-	319,423	-	-	319,423
Bonds issued	-	5,500,000	-	-	5,500,000
Premium on refunding bonds	-	2,411,608	-	-	2,411,608
Refunding bonds issued	-	19,049,970	-	-	19,049,970
Payment to refunded bonds escrow	-	(21,239,205)	-	-	(21,239,205)
Total other financing sources (uses)	(492,407)	6,421,796	-	67,407	5,996,796
Net Change in Fund balances	(2,015,471)	(1,541,590)	(5,839,883)	266,094	(9,130,850)
Fund balances, July 1	66,499,523	19,054,555	12,478,096	2,160,445	100,192,619
Increase (Decrease) in Reserve for Inventory	(66,973)	-	-	-	(66,973)
Fund balances, June 30	\$ 64,417,079	\$ 17,512,965	\$ 6,638,213	\$ 2,426,539	\$ 90,994,796

The notes to the financial statements are an integral part of this statement.

Dublin City School District, 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, 2012

Net Change in Fund Balances - Total Governmental Funds	(\$9,130,850)
<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. This is the amount by which depreciation exceeded capital outlays in the current period.	(4,335,689)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Taxes	1,348,446
Interest	(40,198)
Intergovernmental - Federal	(785,542)
Proceeds from the sale of refunding bonds reported in governmental funds are not reported as revenues in the statement of activities since this provides current financial resources to governmental funds.	(19,049,970)
Premium on the sale of refunding bonds reported in governmental funds are not reported as revenues in the statement of activities since this provides current financial resources to governmental funds.	(2,411,608)
Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Bond Premiums	728,864
Deferred Charges - Debt Refunding	2,058,506
Issuance Costs	117,641
Proceeds from the sale of bonds reported in governmental funds are not reported as revenues in the statement of activities since this provides current financial resources to governmental funds.	(5,500,000)
Premium on the sale of bonds reported in governmental funds are not reported as revenues in the statement of activities since this provides current financial resources to governmental funds.	(319,423)
Repayment of bond principal and notes payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and does not result in an expense in the statement of activities.	41,418,538
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(2,117,089)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Compensated Absences	(321,326)
Net Inventory Increase	(66,973)
The 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.	72,356
Change in Net Assets of Governmental Activities	<u>\$1,665,683</u>

The notes to the financial statements are an integral part of this statement.

Dublin City School District, Ohio
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
General Fund
For the fiscal year ended June 30, 2012

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget:
General Fund				
Revenues:				
Taxes	\$125,886,586	\$126,713,979	\$126,713,979	\$0
Intergovernmental - State	31,682,650	32,221,219	\$32,221,219	0
Interest on Investments	478,600	438,702	\$438,702	0
Tuition and Fees	496,675	638,142	\$638,142	0
Extracurricular Activities	248,000	255,610	\$255,610	0
Other Local Sources	444,672	444,177	\$444,177	0
Miscellaneous	100	268	268	0
Total Revenues	159,237,283	160,712,097	160,712,097	0
Expenditures:				
Current:				
Salaries and wages	112,494,312	110,249,340	110,249,340	0
Fringe benefits	39,424,904	38,367,676	38,367,676	0
Purchased Services	8,419,738	8,287,915	8,287,915	0
Supplies	4,709,364	4,155,848	4,155,848	0
Miscellaneous expenses	2,737,318	2,388,566	2,388,566	0
Total	167,785,636	163,449,345	163,449,345	0
Capital Equipment	196,095	264,254	264,254	0
Miscellaneous	7,000	7,037	7,037	0
Total Expenditures	167,988,731	163,720,636	163,720,636	0
Deficit of Revenues under Expenditures	(8,751,448)	(3,008,539)	(3,008,539)	0
Other Financing Sources (Uses)				
Transfers (out)	(497,921)	(492,407)	(492,407)	0
Advances in	50,000	0	0	0
Advances (out)	(50,000)	(39,000)	(39,000)	0
Total Other Financing Sources (Uses)	(497,921)	(531,407)	(531,407)	0
Net Change in Fund Balance	(9,249,369)	(3,539,946)	(3,539,946)	0
Fund Balance, July 1	39,393,869	39,393,869	39,393,869	0
Prior Year Encumbrances Appropriated	1,535,297	1,535,297	1,535,297	0
Fund Balance, June 30	<u>\$31,679,797</u>	<u>\$37,389,220</u>	<u>\$37,389,220</u>	<u>\$0</u>

The notes to the financial statements are an integral part of this statement

Dublin City School District, Ohio
Statement of Net Assets
Proprietary Funds
as of June 30, 2012

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Fund</u>
	<u>Food Service</u>	<u>Community Education</u>	<u>Summer School</u>	<u>Total</u>	
Assets:					
Cash and cash equivalents	\$ 460,996	\$ 94,940	\$ 66,682	\$ 622,618	\$ 354,990
Receivables (net of allowances for uncollectibles)					
Accounts	3,454	4,115	-	7,569	-
Materials and Supplies Inventory	59,180	-	-	59,180	-
Total Current Assets	523,630	99,055	66,682	689,367	354,990
Noncurrent Assets					
Capital Assets, Net	419,658	-	-	419,658	2,181
Total Assets	943,288	99,055	66,682	1,109,025	357,171
Liabilities:					
Accounts Payable	58,974	5,767	-	64,741	49
Claims Payable	-	-	-	-	33,209
Accrued Wages and Benefits	119,761	-	-	119,761	-
Due to Retirement Systems	16,531	-	-	16,531	-
Unearned Revenue	-	5,025	14,808	19,833	-
Total Current Liabilities	195,266	10,792	14,808	220,866	33,258
Long-Term Liabilities					
Compensated Absences Payable	77,927	-	-	77,927	-
Total Liabilities	273,193	10,792	14,808	298,793	33,258
Net Assets					
Invested in Capital Assets	419,658	-	-	419,658	2,181
Unrestricted	250,437	88,263	51,874	390,574	321,732
Total Net Assets	\$ 670,095	\$ 88,263	\$ 51,874	\$ 810,232	\$ 323,913

The notes to the financial statements are an integral part of this statement.

Dublin City School District, Ohio
Statement of Revenues, Expenses and
Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	<u>Business-Type Activities - Enterprise Funds</u>				Governmental Activities - Internal Service Fund
	<u>Food Service</u>	<u>Community Education</u>	<u>Summer School</u>	<u>Total</u>	
Operating Revenues					
Tuition and Fees	\$ -	\$ 77,466	\$ 89,807	\$ 167,273	\$ 255,508
Sales	3,650,071	-	-	3,650,071	-
Charges for Services	-	-	-	-	358,067
Other Operating Revenue	-	46,248	-	46,248	-
Total Operating Revenues	<u>3,650,071</u>	<u>123,714</u>	<u>89,807</u>	<u>3,863,592</u>	<u>613,575</u>
Operating Expenses					
Salaries & Wages	783,606	19,274	114,803	917,683	1,690
Fringe Benefits	451,828	5,139	19,489	476,456	260
Purchased Services	1,481,494	32,308	3,051	1,516,853	314,959
Material & Supplies	1,965,861	16,577	9,557	1,991,995	72,334
Depreciation	107,290	-	-	107,290	75
Other operating expenses	55,039	4,907	12,648	72,594	151,901
Total Operating Expenses	<u>4,845,118</u>	<u>78,205</u>	<u>159,548</u>	<u>5,082,871</u>	<u>541,219</u>
Operating Income (Loss)	(1,195,047)	45,509	(69,741)	(1,219,279)	72,356
Non-Operating Revenues					
Operating grants	1,168,167	-	-	1,168,167	-
Earnings on Investments	265	-	-	265	-
Total Non-Operating Revenues (Expenses)	<u>1,168,432</u>	<u>-</u>	<u>-</u>	<u>1,168,432</u>	<u>-</u>
Income (loss) before Capital Contributions and Transfers	(26,615)	45,509	(69,741)	(50,847)	72,356
Capital Contributions	63,560	-	-	63,560	-
Transfers In	-	-	45,000	45,000	-
Change in Net Assets	<u>36,945</u>	<u>45,509</u>	<u>(24,741)</u>	<u>57,713</u>	<u>72,356</u>
Net Assets Beginning of Year	633,150	42,754	76,615	752,519	251,557
Net Assets End of Year	<u>\$ 670,095</u>	<u>\$ 88,263</u>	<u>\$ 51,874</u>	<u>\$ 810,232</u>	<u>\$ 323,913</u>

The notes to the financial statements are an integral part of this statement.

Dublin City School District, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Food Service	Community Education	Summer School	Total	
Cash flows from operating activities :					
Cash received from tuition and fees	\$ -	\$ 109,444	\$ 75,425	\$ 184,869	\$ 255,508
Cash received from sales	3,654,861	-	-	3,654,861	-
Cash received from charges for services	-	-	-	-	358,067
Cash received from other receipts	-	150	-	150	-
Cash payments for personal services	(1,235,935)	(24,413)	(134,292)	(1,394,640)	(1,950)
Cash payments for contract services	(1,446,010)	(28,960)	(3,051)	(1,478,021)	(353,419)
Cash payments for supplies and materials	(1,987,370)	(15,984)	(9,856)	(2,013,210)	(72,334)
Cash payments for other expenses	(55,161)	(5,162)	(12,648)	(72,971)	(151,901)
Net cash provided (used) by operating activities	<u>(1,069,615)</u>	<u>35,075</u>	<u>(84,422)</u>	<u>(1,118,962)</u>	<u>33,971</u>
Cash flows from noncapital financing activities :					
Transfers In	-	-	45,000	45,000	-
Cash from operating grants	1,168,167	-	-	1,168,167	-
Net cash provided by noncapital financing activities	<u>1,168,167</u>	<u>-</u>	<u>45,000</u>	<u>1,213,167</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(2,294)	-	-	(2,294)	(2,256)
Net cash used by capital and related financing activities	<u>(2,294)</u>	<u>-</u>	<u>-</u>	<u>(2,294)</u>	<u>(2,256)</u>
Cash flows from investing activities:					
Earnings on Investments	265	-	-	265	-
Net cash from investing activities	<u>265</u>	<u>-</u>	<u>-</u>	<u>265</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents :	96,523	35,075	(39,422)	92,176	31,715
Cash and cash equivalents at beginning of year	364,473	59,865	106,104	530,442	323,275
Cash and cash equivalents at end of year	<u>460,996</u>	<u>94,940</u>	<u>66,682</u>	<u>622,618</u>	<u>354,990</u>
Reconciliation of operating loss to net cash used by operating activities:					
Operating Income (Loss)	(1,195,047)	45,509	(69,741)	(1,219,279)	72,356
Adjustments to reconcile operating income (loss) to net cash used by operating activities:					
Depreciation	107,290	-	-	107,290	75
Changes in assets and liabilities:					
Accounts receivable	4,790	(4,085)	246	951	-
Supplies inventory	(1,237)	-	-	(1,237)	-
Accounts payable	15,090	3,686	(299)	18,477	(6)
Claims Payable	-	-	-	-	(38,454)
Accrued wages and benefits	(807)	-	-	(807)	-
Due to other funds	(132)	-	-	(132)	-
Compensated absences	438	-	-	438	-
Unearned revenue	-	(10,035)	(14,628)	(24,663)	-
Net cash provided (used) by operating activities	<u>\$ (1,069,615)</u>	<u>\$ 35,075</u>	<u>\$ (84,422)</u>	<u>\$ (1,118,962)</u>	<u>\$ 33,971</u>

Schedule of Noncash, Capital and Financing Activities

The Food Service Fund received \$63,560 of contributed capital assets through governmental funds.

The notes to the financial statements are an integral part of this statement.

Dublin City School District, Ohio
Statement of Fiduciary Net Assets
as of June 30, 2012

	Private-Purpose Trust	Agency
Assets:		
Cash and cash equivalents	\$ 15,963	\$ 3,037,674
Receivables (net of allowances for uncollectibles)		
Accounts	-	2,469
Due from Other Governments	-	13,127
Due from Other Funds	-	5,089
Total assets	<u>15,963</u>	<u>3,058,359</u>
Liabilities:		
Accounts Payable	-	77,079
Due to Retirement Systems	-	140,244
Due to Insurances	-	121,620
Due to Other Governments	-	2,048,614
Due to Students	-	670,802
Total Liabilities	<u>-</u>	<u>\$ 3,058,359</u>
Net Assets - Held in Trust for Scholarships	<u>\$ 15,963</u>	

Dublin City School District, Ohio
Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2012

Additions	
Gifts and Contributions	\$ 13,654
Other Revenue	8
Deductions	
Scholarships Awarded	<u>13,500</u>
Change in Net Assets	162
Net Assets Beginning of Year	15,801
Net Assets End of Year	<u>\$ 15,963</u>

The notes to the financial statements are an integral part of this statement.

Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

(1) **Summary of Significant Accounting Policies**

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) as applied to governmental units prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. The District has elected, under GASB No. 20, to apply Financial Accounting Standards Board Statements and Interpretations issued on or before November 30, 1989, except those that conflict with a GASB pronouncement.

A. Fund Accounting

The District's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific District functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts.

Major Governmental Funds:

General Fund - The General Fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

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

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary and trust funds. The District also uses the capital projects fund to pay initial functional costs, such as textbooks, involved in opening a facility, therefore all expenditures are not recorded as capital outlay.

Major Enterprise Funds:

Food Service Fund – The Food Service Fund is used to account for all financial transactions related to the food service operation.

Community Education Fund – The Community Education Fund is used to account for all financial activities related to community education programs and operations.

Summer School Fund – The Summer School Fund is used to account for all financial activities related to summer school operations. This program is primarily remedial in nature and is offered to both resident and non-resident students.

Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Other Fund Types:

Internal Service Funds - Internal Service funds are used to account for the financing of vision insurance and testing services provided by one department or agency to other departments or agencies of the District on a cost-reimbursement basis.

Fiduciary Funds - Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include private-purpose trust and agency funds. Private-purpose trust funds account for resources, including both principal and earnings, which must be expended according to the provision of a trust agreement, and are accounted for in essentially the same manner as proprietary funds. The private-purpose trust funds are primarily used for the award of scholarships to graduating seniors of the District. Agency funds are purely custodial and thus do not involve measurement of results of operations. The agency funds are primarily used to account for the resources collected for employee portions of premiums and retirement as well as resources collected for the Win-Win Agreement with Columbus City Schools and the liquidation of the established obligation owed.

B. Basis of Presentation

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements except for interfund services provided and used. Internal Service fund operating activity is eliminated to avoid overstatement of revenues and expenses. The statements distinguish between governmental and business-type activities of the District.

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type, and for each function or program of the 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 amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. Internal Service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

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

All proprietary funds and private-purpose trust funds are 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 assets. Fund equity (i.e., net total assets) is segregated into amounts invested in capital assets and unrestricted components. Proprietary fund's operating statements present increases (e.g., revenues) and decreases (expenses) in net total assets.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 Food Service enterprise fund, the Community Education enterprise fund, the Summer School enterprise fund, and of the District's internal service funds are charges for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. The Fund financial statements are prepared using either modified accrual for governmental funds or accrual basis for proprietary and fiduciary funds.

Revenues, Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recognized in the

Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

accounting period when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period of the District is sixty days after 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 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been met. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Unearned/Deferred Revenue

Unearned or deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2012, but which were levied to finance fiscal year 2013 operations, have been recorded as unearned revenue.

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

On proprietary fund financial statements, summer school receipts collected for classes that will be held subsequent to year end are reported as unearned revenue.

Expenditures/Expenses

On the accrual basis of accounting, expenses are recorded at the time they are incurred. The measurement focus of governmental fund accounting is on flow of current financial resources. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred except for (1) principal and interest on general long-term debt, which are recorded as fund liabilities when due and (2) the costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in which they will expect to be liquidated with expendable available financial resources to the extent the liabilities mature in the period rather than in the period earned by employees.

D. Cash and Investments

The District maintains a cash and investment pool used by all funds. The cash and investment pool has the same characteristics as demand deposits. Each fund's portion

Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

of this pool is displayed in the financial statements as cash and cash equivalents. The District utilizes a financial institution to service bonded debt as principal and interest payments come due. The monies are either maintained in a central bank account or used to purchase legal investments.

It is the policy of the District to value investment contracts and money market investments with a maturity of one year or less at the time of purchase at cost or amortized cost. Investment contracts and money market investments that had a remaining maturity of greater than one year at the time of purchase are reported at fair value.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on the last day of the fiscal year.

The Ohio Revised Code authorizes the District to invest in United States and State of Ohio bonds, notes and other obligations; bank certificates of deposit; banker's acceptances; commercial paper notes rated prime and issued by United States corporations; and STAR Ohio. It is management's policy to invest in all of the above types of investments. Under existing Ohio statutes, all investment earnings accrue to the general, food service, and auxiliary funds except certain trust funds and those funds individually authorized by Board resolution. Interest earnings are allocated to these funds based on average monthly cash balances. Investment income credited to the general fund during the fiscal year amounted to \$219,730, which includes \$55,910 assigned from other District funds. The capital projects fund, education foundation fund, auxiliary services fund, and food service fund also received interest revenue of \$3,376, \$61, \$58, and \$265 respectively.

E. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market using the first in, first out (FIFO) method and are expensed when used.

On fund financial statements, inventories of governmental funds are valued at cost while inventories of proprietary funds are stated at lower of cost or market. For all funds, cost is determined using the FIFO method, and are determined by physical count. Inventory in governmental funds consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time of purchase. Reported inventories in these funds are equally offset by a nonspendable fund balance, which indicates they do not represent available spendable resources. Inventories of proprietary funds consist of donated and purchased food.

Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

F. Capital Assets and Depreciation

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets are reported in the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by proprietary funds are reported on both statement types.

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 fair market values as of the date received. The District follows the policy of not capitalizing assets with a cost of less than \$500 and a useful life of less than 1 year.

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

<u>Description</u>	<u>Useful Life</u>
Land and Construction in Progress	not depreciated
Land Improvements	30
Buildings & Improvements	10 - 50
Furniture and Equipment	5 - 15
Vehicles/Buses	10

G. Interfund Activity

Transfers between governmental and business-type activities on the entity-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net assets, except for amounts due between governmental and business-type activities, which are presented as internal balances.

H. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee's right to receive compensation is attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become

Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

eligible to receive termination benefits in the future. The criteria for determining the vacation and sick leave liability is derived from Board policy, negotiated agreements, and state laws. The general fund is primarily responsible for liquidating the liability.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the amount of accumulated vacation and sick leave of employees has been recorded as a current liability to the extent that the amounts are expected to be paid using expendable available financial resources to the extent that the liabilities mature each period. The balance of the liability is not recorded. For proprietary funds, the entire amount of compensated absences is recorded as an expense and liability of the fund.

I. Accrued Liabilities and Long-term Debt

All accrued liabilities and long-term debt are reported in the government-wide financial statements as well as the proprietary fund financial statements.

For governmental fund financial statements, the accrued liabilities are generally reported as a governmental fund liability if due for payment as of the balance sheet date regardless of whether they will be liquidated with current financial resources. However, claims and judgments and compensated absences paid from governmental funds (typically the General fund) are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources to the extent the liabilities mature in the period. Long-term debt paid from governmental funds are not recognized as a liability in the fund financial statements.

Issuance costs, deferred charges, and bond premiums are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Issuance costs and deferred charges are recorded as deferred charges and generally paid from debt proceeds. On the governmental fund financial statements, issuance costs, deferred charges, and bond premiums are recognized in the period in which the bonds are issued.

J. Fund Balance

The District reports classifications of fund equity based on the purpose for which resources were received and the level of constraint placed on the resources. Nonspendable fund balance indicates resources that are not expected to be converted to cash because they are not in a spendable form. Resources that have purpose constraints placed upon them by laws, regulations, creditors, grantors, or other external parties are considered available only for the purpose for which they were received and are reported as a restricted fund balance. The District may limit the use of unreserved resources and may be reported as committed or assigned fund balance depending on at what level of governance the constraints were placed. With an affirmative vote of its members, the Board of Education may create funds for which resources are committed to the established purpose of that fund. Through the

Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

District's purchasing policy the Board has given the Treasurer the authority to constrain monies for intended purposes, which are reported as assigned fund balances. All other funds in spendable form not restricted, committed, or assigned are reported as an unassigned fund balance.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. The District considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

(2) **Description of the District and Reporting Entity**

The Dublin 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 and laws of the State of Ohio. The District is a city district as defined by Section 3311.02 of the Ohio Revised Code. The District operates under a locally elected five member board and is responsible for the provision of public education to residents of the District. The Board controls the District's twenty-three instructional/support facilities staffed by 618 non-certificated employees, 1,136 certificated full time-teaching personnel and 56 administrative employees to provide services to approximately 14,468 students and other community members.

Reporting Entity

The District's Comprehensive Annual Financial Report (CAFR) includes all funds, agencies and boards for which the District is financially accountable. Governmental Accounting Standards Board (GASB) Statement 14 states the primary basis of determining whether outside agencies and organizations should be considered component units of the District and included in the District's financial statements is financial accountability. Financial accountability has been defined as follows: A primary government has substantive authority to appoint a voting majority of the component unit's board; the primary government is either able to impose its will on a component unit or there is a potential for the component unit to provide specific financial burdens on the primary government; and the component unit is fiscally dependent on the primary government. The District has no component units.

Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

(3) **Reconciliation of government-wide and fund financial statements**

A. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statements of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “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 and reported as depreciation expense.” The details of this (\$4,335,689) difference are as follows:

Capital outlay	\$ 3,787,734
Depreciation expense (Note 9)	(8,097,872)
Depreciation expense – Internal Service Fund	75
Loss on the Disposal of Capital Assets	<u>(25,626)</u>
Net adjustment to increase net changes in fund balances – Total governmental funds to arrive at changes in net assets of governmental activities	<u>(\$ 4,335,689)</u>

(4) **Fund Deficits**

At June 30, 2012, the following fund had a deficit fund balance:

Title IIA	(\$ 288)
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The deficit was caused by the application of generally accepted accounting principles.

(5) **Cash & Cash Equivalents**

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

Active Monies - Those monies required to be kept in a “cash” or “near-cash” status for immediate use by the district. Such monies must be maintained either as cash in the District Treasury, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive Monies - Those monies not required for use within the current five year period of designation of depositories. Inactive monies may be deposited or invested as certificates of deposit maturing not later than the end of the current period of designation of depositories, or as savings or deposit accounts including, but not limited to, passbook accounts.

Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Interim Monies - Those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Ohio law permits interim monies to be invested in legal securities (see Note 1D).

Deposits

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. Protection of District cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. By law and District investment policy, financial institutions must collateralize all public deposits and the face value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end, the carrying amount of the District's deposits were \$21,542,193 and the bank balance was \$22,158,194. Of the bank balance, \$6,593,427 was covered by standard federal depository insurance and an additional \$2,338,838 was covered by FDIC under the Dodd-Frank Act Deposit Insurance Provisions for noninterest-bearing accounts. The remaining balance was uninsured. Of the uninsured bank balance, all was collateralized with securities held by the pledging institution's trust department not in the District's name or as specific collateral held in the name of the District.

Investments

Investments are reported at fair value. As of June 30, 2012, the District had the following investments:

	Fair Value	Weighted Average Maturity (Years)
FFCB	\$ 3,000,000	1.81 *
FHLB	14,655,744	1.08 *
FNMA	2,783,695	2.63
FHLMC	2,223,012	0.89
U.S. Treasury's	2,000,000	0.00
Commercial Paper	16,558,038	0.24
Money Market Fund	13,640	0.00
Wellpoint Stock (See Note 21)	637,900	0.00
STAR Ohio	126,526	0.00
Total Fair Value	<u>\$ 41,998,555</u>	

Portfolio Weighted Average Maturity	0.81
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* - The securities have various call dates. The District believes no securities will be called.

Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Interest Rate Risk

The Ohio Revised Code and District investment policy generally limits security purchases to those that mature within five years of the settlement date.

Credit Risk

The District's investments at June 30, 2012 in FFCB, FHLB, FNMA and FHLMC are rated Aaa by Standard & Poor's. Its investments in Commercial Paper are rated A-1 or A-1+ by Moody's. Its investments in Money Market Fund and Star Ohio are rated AAAM by Standard & Poor's.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer. More than 5 percent of the District's investments are in FFCB, FHLB, FNMA FHLMC, and Commercial Paper. These investments are 7.1%, 34.9%, 6.6%, 5.3%, and 39.4%, respectively, of the District's total investments, for the amounts listed above.

(6) **Interfund Transactions**

Interfund balances on the fund statements at June 30, 2012 consist of the following receivables and payables:

Fund	Receivable	Payable
General	\$ 39,000	
Other Governmental Funds		<u>39,000</u>
Total	<u>\$ 39,000</u>	<u>\$ 39,000</u>

Interfund transfers on the fund statements at June 30, 2012 consist of the following:

Transfers from General Fund to Debt Service Fund	\$ 380,000
Transfers from General Fund to Other Governmental Funds	67,407
Transfers from General Fund to Proprietary Fund	<u>45,000</u>
Total	<u>\$ 492,407</u>

The purpose of the transfer from the General Fund to the Debt Service Fund is to deposit into the required sinking fund for energy conservation debt. The transfer from the General fund to Other Governmental Funds is to finance safety supplies for the Athletic program. The transfer from the General Fund to the Summer School Fund (proprietary) is to finance the cost of proficiency remediation during summer 2011.

Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

(7) **Property Taxes**

Property taxes are levied and assessed on a calendar year basis. Distributions from the second half occur in a new fiscal year and are intended to finance the operations of that year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the District. Taxpayers remit payment to their respective county, Franklin, Delaware, or Union, which then distributes funds to the District on settlement dates that vary each year. The District, through board resolution, may request that the county advance 90% of amounts collected on a weekly basis through the collection period.

Real property taxes and public utility taxes are levied in April on the assessed value listed as of the prior January 1, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20. Settlement dates for real property taxes generally occur during the months of February and August but on occasion run into the following month. Amounts certified by the county auditor prior to June 30 are available to the District as an advance and should therefore be recognized as revenue in the current fiscal year. The District's policy is not to take an advance on these taxes, as they are budgeted for the next fiscal year, and therefore has designated fund balance accordingly.

Public utility property taxes are assessed on tangible personal property at 25 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Tangible personal property taxes are levied in April on the value listed as of December 31 of the current year. Tangible personal property settlements are 25 percent of true value. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Settlement dates for tangible personal property taxes generally occur during the months of October and June.

The assessed values upon which fiscal year 2012 taxes were collected are:

	2011 Second Half Collections	2012 First Half Collections
Real Estate		
Residential/Agricultural	\$ 2,156,778,480	\$ 2,048,516,530
Commercial/Industrial	801,907,570	793,232,570
Personal Property		
Public Utility	<u>55,499,200</u>	<u>59,408,180</u>
Total	<u>\$ 3,014,185,250</u>	<u>\$ 2,901,157,280</u>

Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Accrued delinquent property taxes receivable represent taxes outstanding for real property, personal property and public utility taxes, and are offset by a credit to deferred revenue. Amounts from the August settlement are not intended to finance current fiscal year operations and, therefore have been recorded as a receivable offset by deferred revenue to the extent these amounts were not available as advances at June 30, 2012.

(8) **Receivables**

Receivables at June 30, 2012 consisted of taxes, accounts (rent and student fees), interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds.

A summary of the principal items of receivables follows:

	Amounts
Governmental Activities	
Taxes – current & Delinquent	\$ 236,753,965
Accounts – Governmental Funds	54,431
Accrued Interest	45,787
Intergovernmental – Federal	857,145
Business-Type Activities	
Accounts	7,569
Total Receivables	<u>\$ 237,718,897</u>

(9) **Capital Assets**

A summary of capital asset activity during the fiscal year follows:

	Balance 6/30/11	Additions	Deductions	Balance 6/30/12
<i>Governmental Activities</i>				
Capital Assets, not being Depreciated:				
Land	\$ 12,044,021	\$ 0	\$ 0	\$ 12,044,021
Total Capital Assets, not Being Depreciated	<u>\$ 12,044,021</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,044,021</u>
Capital Assets, being Depreciated:				
Land Improvements	11,899,532	0	0	11,899,532
Buildings and Improvements	216,822,921	2,517,665	106,407	219,234,179
Furniture/Equipment	36,391,759	978,094	1,107,521	36,262,332
Buses	8,464,597	235,695	150,781	8,549,511
Vehicles – Other	1,225,521	58,536	39,097	1,244,960
Total Capital Assets, Being Depreciated	<u>\$ 274,804,330</u>	<u>\$3,789,990</u>	<u>\$ 1,403,806</u>	<u>\$277,190,514</u>

Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Less Accumulated Depreciation:

Land Improvements	\$ 5,863,726	\$ 363,462	\$ 0	\$ 6,227,188
Buildings and Improvements	66,274,198	4,928,109	106,407	71,095,900
Furniture/Equipment	29,066,787	2,025,807	1,087,876	30,004,718
Buses	4,926,241	672,293	150,781	5,447,753
Vehicles – Other	792,849	108,201	33,116	867,934
Total Accumulated Depreciation	<u>\$ 106,923,801</u>	<u>\$ 8,097,872 *</u>	<u>\$ 1,378,180</u>	<u>\$ 113,643,493</u>

Total capital assets, being

Depreciated, net	<u>\$ 167,880,529</u>	<u>(\$4,307,882)</u>	<u>\$ 25,626</u>	<u>\$ 163,547,021</u>
Capital Assets, Net	<u>\$ 179,924,550</u>	<u>(\$4,307,882)</u>	<u>\$ 25,626</u>	<u>\$ 175,591,042</u>

	Balance 6/30/11	Additions	Deductions	Balance 6/30/12
<i>Business-Type Activities</i>				
Furniture/Equipment	\$ 2,813,382	\$ 65,854	\$ 125,562	\$ 2,753,674
Less: Accumulated Depreciation	<u>2,352,288</u>	<u>107,290</u>	<u>125,562</u>	<u>2,334,016</u>
Capital Assets Net	<u>\$ 461,094</u>	<u>\$ (41,436)</u>	<u>\$ 0</u>	<u>\$ 419,658</u>

* Depreciation Expense was charged to governmental functions as follows:

Instruction:

Regular	\$ 380,118
Special	36,247

Support Services:

Pupil	18,148
Instructional Staff	1,212,520
School Administration	101,747
Fiscal Services	37,110
Business	19,397
Operations & Maintenance	230,603
Pupil Transportation	739,701
Central	5,254,655
Extracurricular Activities	67,626

Total Depreciation Expense	<u><u>\$ 8,097,872</u></u>
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Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

10) **Long-Term Debt**

A. General Obligation Bonds

The following is a description of the District's bonds outstanding as of June 30, 2012:

							Bonds
Issue	Interest Rate	Issue Date	Maturity Date	Original Amount	Accretion In 2012	Retired In 2012	Outstanding 6/30/12
19	5.970%	08/01/97	12/01/19	26,489,222	43,712	2,150,000	0
25	4.590%	09/01/01	12/01/18	20,000,000	0	1,705,000	0
26	5.730%	08/01/02	12/01/19	20,000,000	86,329	1,380,000	1,552,919
27	4.027%	07/01/03	12/01/22	21,000,000	60,357	475,000	1,625,757
28	4.100%	06/17/04	07/01/19	7,822,000	0	515,000	4,246,000
29	3.437%	02/01/05	12/01/18	59,227,233	1,013,588	8,030,000	29,144,003
30	3.830%	07/19/05	12/01/22	21,899,978	143,672	1,085,000	19,768,172
31	4.000%	08/22/06	12/01/20	19,530,000	0	325,000	16,360,000
32	3.940%	03/28/07	12/01/20	23,634,957	308,568	405,000	24,226,744
33	3.751%	09/25/07	12/01/19	27,945,000	0	385,000	25,695,000
34	3.789%	03/03/09	12/01/26	15,000,000	63,946	300,000	14,832,898
35	1.476%	06/02/10	12/01/14	5,550,000	0	0	5,550,000
36A	2.901%	10/13/10	12/01/26	17,999,978	34,998	0	18,061,145
36B	4.750%	10/13/10	12/01/25	4,000,000	0	0	4,000,000
37	5.250%	02/15/11	12/01/25	1,700,000	0	0	1,700,000
38	2.757%	10/26/11	12/01/28	24,549,970	388,777	0	24,938,747
				<u>\$316,348,338</u>	<u>\$2,143,947</u>	<u>\$16,755,000</u>	<u>\$191,701,385</u>

The above bond issues are general obligation bonds for the construction and improvement of District buildings. These bonds include current interest serial bonds, capital appreciation bonds, and current interest term bonds. For fiscal year 2012, the capital appreciation bonds accreted \$2,143,947. The District received premiums from the issuance of bonds in fiscal year 2012 in the amount of \$2,731,031. The total the remaining premiums to be amortized at the end of fiscal year 2012 were \$7,927,124.

The annual interest cost on federally taxable QSCBs (Qualified School Construction Energy Conservation Bonds) in the amount of \$4,000,000 on 10/13/10 and \$1,700,000 on 2/15/11 under the American Recovery and Reinvestment Act of 2009 are directly and annually subsidized by the federal government. Subsidy payments received during fiscal year 2012 totaled \$279,250. This subsidy represents 100% of the annual interest cost of the issues, making the effective annual interest cost 0.0%.

Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

The following is a summary of the District's future annual debt service requirements to maturity for general obligation bonds:

Fiscal Year	Principal	Interest	Total
2013	\$17,832,634	\$6,028,741	\$23,861,375
2014	18,642,839	6,035,368	24,678,207
2015	18,875,913	5,965,867	24,841,780
2016	18,553,416	6,263,183	24,816,599
2017	18,456,793	5,109,576	23,566,369
2018-2022	70,599,790	12,645,229	83,245,019
2023-2027	27,660,000	2,617,420	30,277,420
2028-2029	1,080,000	41,169	1,121,169
	<u>\$191,701,385</u>	<u>\$44,706,553</u>	<u>\$236,407,938</u>

B. Defeasance

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. During the current year, the District issued general obligation refunding bonds (2011 General obligation Bonds dated October 26, 2011) to advance refund portions of general obligation issue 2003 series school facilities construction and improvement bonds. The advance refunding reduced cash flows required for debt service by \$950,128 over the next 11 years and resulted in economic gains of \$930,368. The amount of defeased debt outstanding at June 30, 2012 is \$37,830,000.

C. Long-Term Liabilities

The following changes occurred in long-term liabilities during the year.

	Balance July 1, 2011	Increase	Decrease	Balance June 30, 2012	Amount Due In One Year
Governmental Activities					
General Obligation Bonds	\$ 151,981,000	\$ 22,775,000	\$ 32,275,000	\$ 142,481,000	\$ 7,591,000
Capital Appreciation Bonds	48,831,468	3,918,917	3,530,000	49,220,385	10,405,000
Premium on Bonds	5,924,957	2,731,031	728,864	7,927,124	0
Bond Anticipation Notes	5,500,000	0	5,500,000	0 **	0
Compensated Absences	11,445,631	1,043,019	185,222	12,303,428	1,980,972
Capital Leases Payable	113,538	0	113,538	0	0
Total Governmental Activities	<u>\$ 223,796,594</u>	<u>\$ 30,467,967</u>	<u>\$ 42,332,624</u>	<u>\$ 211,931,937</u>	<u>\$ 19,976,972</u>
Business-Type Activities					
Compensated Absences	\$ 77,489	\$ 42,823	\$ 42,385	\$ 77,927	\$ 0

**** See note 11**

Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

D. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District.

The effects of these debt limitations at June 30, 2012 are a voted debt margin of \$85,833,125 and an unvoted debt margin of \$2,901,157.

(11) **Notes Payable**

A summary of the bond anticipation note (BAN) transactions for the fiscal year ended June 30, 2012 follows:

		Notes				
Issue	Interest Rates	Issue Date	Maturity Date	Original Amount	Retired in 2012	Outstanding 06/30/12
BAN	0.520%	12/28/10	12/8/11	\$5,500,000	\$5,500,000	\$0

The District retired \$5,500,000 in Bond Anticipation Notes (BAN's) of which none was reported as a governmental fund liability in the prior year.

(12) **Capital Lease Obligation**

Dublin City School District entered into capital leases for copiers. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, *Accounting for Leases*, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

Capital assets consisting of copiers have been capitalized in the Statement of Net Assets in the amount of \$158,272. This amount represents the present value of minimum lease payments at the time of acquisition. A corresponding liability was recorded in the Statement of Net Assets. The District opted to pay off all of its capital lease obligations during fiscal year 2012, and as such, no future minimum lease payments are anticipated as of June 30, 2012. Principal payments from the General Fund and the Capital Projects Fund for fiscal year 2012 totaled \$23,698 and \$89,840, respectively.

Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

(13) **Risk Management**

The District is exposed to various risks of loss related to torts, theft or, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2012, the District contracted with WRM America, for general liability with a \$ 1,000,000 single occurrence limit and a \$2,000,000 aggregate. The District's property was also protected by Ohio Casualty Insurance under a plan holding \$ 5,000 deductible. Settled claims have not exceeded this coverage in any of the past three years.

The District maintains an internal service "self-insurance" Insurance fund in connection with formalized risk management programs in an effort to minimize risk exposure and control claims and premium costs for vision insurances. The District was under contract with Anthem to provide fully insured health insurance for its employees until January 1, 2012 when it contracted with Medical Mutual of Ohio to provide health insurance coverage for the remainder of fiscal year 2012. The District is still self-insured for its vision insurance coverage, which is the only remaining component of this fund and no stop-loss coverage is in effect

The liability for unpaid claims of \$33,209 reported in the Self-Funded Insurance Internal Service Fund at June 30, 2012, is based on the existing unpaid vision claim adjustment expenses and an estimate for incurred but unreported claims at year end. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claim liability amount in 2011 and 2012 were:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payment	End of Year Liability
2011	\$ 91,089	\$ 307,190	\$ 326,616	\$ 71,663
2012	\$ 71,663	\$ 302,679	\$ 341,133	\$ 33,209

Post employment health care is provided to plan participants or their beneficiaries through their respective retirement systems discussed in Note 15. As such, no funding provisions are required by the District.

For fiscal year 2012, the District participated in the Individual Retrospective Rating Plan through the Ohio Bureau of Workers' Compensation. The intent of the Program is to allow the District to assume a portion of the risk to achieve reduced premiums. Under the Individual Retrospective Rating Plan the District is charged a fixed cost charge based on the District's workers' compensation experiences, the District's assumed level of potential risk, and a minimum premium percentage. The firm of Sheakley Group provides administrative services to the Program.

Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

(14) **Defined Benefit Pension Plans**

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476, by calling (800) 878-5853. It is also posted on SERS website, www.ohsers.org, under Employers/Audit Resources.

Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year ending June 30, 2012, the allocation to pension and death benefits is 12.70%. The remaining 1.30% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. For fiscal years 2011 and 2010, 11.81% and 12.78%, respectively were the portions used to fund pension and death benefit obligations. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2012, 2011, and 2010, were \$3,410,179, \$3,391,789, and \$3,309,428, respectively, which equaled the required contributions for each fiscal years.

B. State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone comprehensive annual financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. DC and Combined Plan members will transfer to the DB plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

The DB Plan benefits are established under Chapter 3307 of the Ohio Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the “formula benefit” or the “money-purchase benefit” calculation. Under the formula benefit the retirement allowance is based on years of credited service and final average salary, which is the average of the members’ three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5% with an additional one-tenth of a percent added to the calculation for every year over 31 years until 100% of the final average salary is reached. For members with 35 or more years of Ohio contributing services, the first 30 years will be calculated at 2.5%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. The total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance. Benefits are increased annually by 3% of the original base amount.

The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. Benefits are established under Sections 3307.80 to 3307.89 of the Ohio Revised Code. 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. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the members’ designated beneficiary is entitled to receive the member’s account balance.

Combined Plan offers features of the DC Plan and the DB Plan. Member contributions are allocated to investments selected by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. A member’s defined benefit is determined by multiplying 1% of the members’ final average salary by the member’s years of service credit. The defined benefit portion of the Combined Plan is payable to members on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively

Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

receive a refund of only member contributions with interest before age 65, once employment is terminated.

For fiscal year ended June 30, 2011 (most recent information available) members were required to contribute 10% of their annual covered salary and the District was required to contribute 14%. Member and employer contributions were established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers provided by Chapter 3307 of the Ohio Revised Code. Of the 14% contributed by the District, 13% was the portion used to fund pension obligations.

The District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2012, 2011, and 2010 were \$12,707,601, \$12,883,790, and \$12,389,624, respectively, 100% has been contributed for all fiscal years.

(15) **Postemployment Benefits**

A. State Teachers Retirement System

The School District contributes to the cost-sharing, multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums.

Ohio law authorizes STRS Ohio 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 Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding post-employment health care may be deducted from employer contributions. Of the 14% employer contribution rate, STRS Ohio allocated 1% of covered payroll to post-employment health care. The School District's contributions for health care for the years ended June 30, 2012, 2011, and 2010 were \$907,686, \$920,271, and \$884,973, respectively, 100% has been contributed for all fiscal years.

B. School Employees Retirement System

School Employees Retirement System of Ohio (SERS) administers two post-employment benefit plans, the Medicare Part B Plan and the Health Care Plan as permitted by Ohio Revised Code Sections 3309.69 and 3309.375. The Medicare Part B Plan reimburses for Medicare Part B premiums paid by eligible retirees. The Health Care Plan provides health care and prescription drug plans administered by two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Retirement Board establishes rules for premiums paid by retirees for health care coverage and varies depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status. SERS

Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage and traditional indemnity plans. SERS' Retirement Board reserves the right to change or discontinue any health plan or program.

Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive monthly reimbursement from SERS for the lesser of January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2012 was \$99.90 for most participants, but could be as high as \$319.70 per month depending on their income. SERS' reimbursement to retirees was \$45.50.

The Retirement Board, with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare Part B Fund. For fiscal year 2012 the actuarially required allocation was 0.75%. For the fiscal years ended June 30, 2012, 2011 and 2010 the District's contributions to Medicare Part B were \$182,688, \$184,126, and \$179,655, respectively, which equaled the required contributions each year.

State statute permits SERS to fund the health care benefits through employer contributions. Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contributions of 14% of covered payroll to the Health Care Fund. The Health Care fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For the year ended June 30, 2012, the health care allocation is 0.55%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. State law provides 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 2012, the minimum compensation level was established at \$35,800, and the District's surcharge was \$ 370,403. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned the the Health Care Fund. The School District's contributions assigned for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$504,374, \$712,161, and \$452,154, respectively.

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

(16) **Budgetary Basis of Accounting**

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

Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

transactions on a basis of cash receipts, disbursements and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual 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 GAAP basis are as follows:

Net Change in Fund Balance	
General Fund	
Budget Basis	\$ (3,539,946)
Adjustments (net):	
Revenue Accruals	488,590
Expenditure Accruals	(440,055)
Encumbrances	1,436,940
Interfund Transactions	<u>39,000</u>
GAAP Basis	<u>\$ (2,015,471)</u>

(17) **Set-asides and Fund Reserves**

The District is required by State statute to annually set aside based on a statutory formula for capital acquisitions, improvements, and maintenance. The District is required, for capital set asides, to spend an amount greater than or equal to the required amount or restricted fund balance for any unspent amount. The amount for the set aside for fiscal year 2012 was calculated to be \$2,401,887. The District had qualifying expenditures in excess of the requirement; therefore a fund balance restriction was not required. Bond proceeds used to purchase capital items in excess of the required amounts are carried over into future periods.

(18) **Contingencies**

A. Grants & Student Attendance Data

The Auditor of State is currently performing a statewide review of supporting documentation for student attendance data reported to the Ohio Department of Education. The results of this review are still pending and will be reported separately to the Ohio Department of Education at a later date.

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. This also encompasses the Auditor of State's ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2012, if applicable, cannot be determined at this time.

Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

B. Litigation

There are currently a few matters in litigation with the District as defendant. It is the opinion of management that the potential claims against the District not covered by insurance would not materially affect the financial statements.

(19) **Jointly Governed Organizations**

A. Jointly Governed Organizations

Metropolitan Educational Council (MEC) – The District is a participant in the MEC. MEC is an association of public school districts within the boundaries of Franklin, Delaware, Union, Pickaway, Madison and Fairfield counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. The governing board of MEC consists of one representative from each of the member school districts. Financial information can be obtained from Denise Canfield, who serves as fiscal officer, at 2100 Citygate Drive, Columbus, Ohio 43219.

The Tolles Career and Technical Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating district's elected boards, which possesses its own budgeting and taxing authority. The District is a member of this organization. Financial information can be obtained from Pamela Orr, who serves as Treasurer, at 7877 Route 42 NE, Plain City, Ohio 43064.

(20) **Significant Commitments**

A. Other Commitments

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are reservations of fund balance for subsequent-year expenditures and may be report as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for encumbrances in the governmental funds were as follows:

Fund Type	Year-End Encumbrances
General Fund	\$ 896,712
Capital Projects	763,251
Other Governmental	74,902
Total	\$ 1,734,865

Dublin City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

(21) **Demutualization of Anthem Healthcare**

On November 2, 2001, Anthem Insurance Companies, Inc. converted from a mutual insurance company to a stock insurance company in a process called demutualization. On the date of demutualization, all membership interests in Anthem Insurance were extinguished and the eligible members of Anthem Insurance were entitled to receive consideration in the form of Anthem, Inc.'s common stock. As a result of demutualization, the District received 56,193 shares of Anthem, Inc. common stock (ATH). In November 2004, Anthem merged with Wellpoint and the resulting company was named Wellpoint. On June 1, 2005, there was a 2:1 stock split resulting in the District holding 112,386 shares of Wellpoint stock. On January 13, 2006, January 8, 2007, January 10, 2008, June 23, 2009, and August 12, 2010, the District sold 12,386, 33,000, 40,000, 7,000, and 10,000 shares, respectively. At June 30, 2012, the market value of Wellpoint common stock was \$63.79 per share. The total value of the District's stock at June 30, 2012 was \$637,900.

(22) **Subsequent Event**

On October 24, 2012 the District issued \$11,850,000 in Refunding Bonds for the purpose of Advance Refunding \$12,160,000 of School Facilities Construction and Improvement Bonds, Series 2005 Bonds, dated July 19, 2005.

On November 6, 2012, the voters of the District approved a combined 6.40 mill operating and 0.54 mill bond levy. Collection of the new levy dollars will begin on January 1, 2013.

**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES – Governmental Funds**

Dublin City School District, Ohio
Combining Statements and Individual Fund Schedules

The District's nonmajor funds consist completely of special revenue funds, therefore the combining statements for nonmajor funds are titled "Nonmajor Special Revenue Funds". A brief description of each fund is below.

Nonmajor - Special Revenue Funds

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

Public School Support - This fund is provided to account for specific local revenue sources, other than taxes (i.e. profits from vending machines, sale of pictures, etc.), that are restricted to expenditures for specified purposes approved by board resolution. Such expenditures may include curricular and extra-curricular related purchases.

Other Grants - This fund is used to account for the proceeds of specific revenue sources except state and federal grants that are legally restricted to expenditures for specified purposes.

Education Foundation Fund - This fund is used to account for the proceeds of any bequest, gift, or endowment given to the school district or transfers from the General Fund for operating or capital costs of any existing or new and innovative program designed to enhance or promote education within the district.

Athletics/Music - This fund is provided to account for those student activity programs that have student participation in the activity, but do not have student management of the programs. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corps, and similar types of activities.

Auxiliary Services - This fund is provided to account for State of Ohio monies that provide services and materials to pupils attending non-public schools within the district.

Data Communication Support - A fund provided to account for monies received from the State of Ohio for expenses supporting the establishment, maintenance and upgrade of data communication links from the schools to the Metropolitan Educational Council, data acquisition site, and further to the Ohio Department of Education.

Dublin City School District, Ohio
Combining Statements and Individual Fund Schedules

Assistive Technology Fund - A fund provided to account for monies received from the State of Ohio for eTech Mobile Assistive Technology Grant monies expended to expand and/or enhance learning opportunities for special needs learners through the use of mobile assistive technology.

Educational Jobs Fund – This fund is to account for the monies received for the federal program established by the US Department of Education to save or create education jobs. The purpose of these funds is to provide education support for students and may not be used for administrative purposes related to operation of the Superintendent’s Office, Board of Education or support purposes such as fiscal or human resources services.

Race to the Top Fund – This fund is to account for the monies received to establish a new program or expand an existing program aligned to an approved scope of work. An approved scope of work must support Race to the Top initiatives in the areas of standards, assessment, student growth measures, teacher and principal evaluations, equitable hiring practices, and turning around the lowest-achieving Schools.

IDEA - This fund is to account for Federal monies that assist states in the identification of handicapped children, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Fiscal Stabilization - This fund is to account for Federal monies from the American Recovery and Reinvestment Act in State Fiscal Stabilization Funds (SFSF) to help stabilize state and local budgets in order to minimize and avoid reductions in education and other essential services.

Title IID - This fund is to account for Federal monies received and expended to improve student academic achievement through the use of technology in schools and to encourage the effective integration of technology with teacher training and curriculum development to establish successful research-based instructional methods.

Dublin City School District, Ohio
Combining Statements and Individual Fund Schedules

Title III – This fund is to account for Federal monies that are used to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

Title I – This fund is to account for Federal monies that are used to help targeted buildings improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards.

Drug Free Schools - A fund provided to account for Federal Revenues which support the implementation and improvement of local programs of drug abuse prevention, early intervention, rehabilitation referral, and education in elementary and secondary schools.

Preschool - A fund used to provide for the education of handicapped children ages three through five, and account for the monies received and expended for the purpose of this grant.

Title IIA - This fund is to account for Federal monies received and expended for the purpose of hiring new teachers in grades 1 through 3 in an effort to improve student achievement through reduced class sizes.

LSTA Disabilities Grant – This fund is to account for Federal monies received and expended for assistive library technology and materials to promote an atmosphere of inclusion for the student body and specifically for students with physical and literacy challenges.

Learn and Serve America – This fund is to account for Federal monies received and expended to engage students in service-learning to simultaneously enrich student education, demonstrate the importance of community involvement, and provide a strategy to meet unmet community needs.

Dublin City School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012

	Public School <u>Support</u>	Other <u>Grants</u>	Education Foundation <u>Fund</u>	Athletic/ <u>Music</u>
Assets:				
Cash and cash equivalents	\$ 1,419,159	\$ 43,729	\$ 210,429	\$ 395,222
Receivables (net of allowances for uncollectibles)				
Accounts	26,151	-	-	-
Intergovernmental - Federal	-	-	-	-
Total assets	<u>1,445,310</u>	<u>43,729</u>	<u>210,429</u>	<u>395,222</u>
Liabilities:				
Accounts Payable	24,058	2,320	-	9,188
Accrued wages and benefits	-	-	-	-
Due to Other Governments	-	-	-	-
Interfund Loans Payable	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	<u>24,058</u>	<u>2,320</u>	<u>-</u>	<u>9,188</u>
Fund Balances				
Restricted for:				
Education Foundation	-	-	210,429	-
Extracurricular Activities	-	-	-	386,034
Non-public Schools	-	-	-	-
Special Education	-	-	-	-
Targeted Academic Assistance	-	-	-	-
Other Purposes	-	41,409	-	-
Committed to:				
Student and Staff Support	1,421,252	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>1,421,252</u>	<u>41,409</u>	<u>210,429</u>	<u>386,034</u>
Total liabilities and fund balances	<u>\$ 1,445,310</u>	<u>\$ 43,729</u>	<u>\$ 210,429</u>	<u>\$ 395,222</u>

<u>Auxiliary Services</u>	<u>Data Communication Support</u>	<u>Assistive Technology Fund</u>	<u>Educational Jobs Fund</u>	<u>Race to the Top</u>	<u>IDEA</u>
\$ 83,145	\$ -	\$ 9,732	\$ 23,747	\$ 4,531	\$ 46,247
-	-	-	-	-	-
-	-	-	104,948	9,246	399,190
<u>83,145</u>	<u>-</u>	<u>9,732</u>	<u>128,695</u>	<u>13,777</u>	<u>445,437</u>
2,318	-	-	-	-	-
39,546	-	-	90,200	-	185,843
5,519	-	-	12,588	-	25,934
-	-	-	-	-	-
-	-	-	-	9,246	-
<u>47,383</u>	<u>-</u>	<u>-</u>	<u>102,788</u>	<u>9,246</u>	<u>211,777</u>
-	-	-	-	-	-
-	-	-	-	-	-
35,762	-	-	-	-	-
-	-	9,732	-	-	233,660
-	-	-	-	-	-
-	-	-	25,907	4,531	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>35,762</u>	<u>-</u>	<u>9,732</u>	<u>25,907</u>	<u>4,531</u>	<u>233,660</u>
<u>\$ 83,145</u>	<u>\$ -</u>	<u>\$ 9,732</u>	<u>\$ 128,695</u>	<u>\$ 13,777</u>	<u>\$ 445,437</u>

continued

Dublin City School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2012

	<u>Fiscal Stabilization</u>	<u>Title II-D</u>	<u>Title III</u>	<u>Title I</u>
Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ 5,130	\$ 63,623
Receivables (net of allowances for uncollectibles)				
Accounts	-	-	-	-
Intergovernmental - Federal	-	-	58,766	261,092
Total assets	<u>-</u>	<u>-</u>	<u>63,896</u>	<u>324,715</u>
Liabilities:				
Accounts Payable	-	-	1,338	37,237
Accrued wages and benefits	-	-	31,755	132,766
Due to Other Governments	-	-	4,432	18,528
Interfund Loans Payable	-	-	2,000	37,000
Deferred Revenue	-	-	10,332	56,355
Total Liabilities	<u>-</u>	<u>-</u>	<u>49,857</u>	<u>281,886</u>
Fund Balances				
Restricted for:				
Education Foundation	-	-	-	-
Extracurricular Activities	-	-	-	-
Non-public Schools	-	-	-	-
Special Education	-	-	14,039	-
Targeted Academic Assistance	-	-	-	42,829
Other Purposes	-	-	-	-
Committed to:				
Student and Staff Support	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>14,039</u>	<u>42,829</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,896</u>	<u>\$ 324,715</u>

<u>Drug Free Schools</u>	<u>Preschool</u>	<u>Title IIA</u>	<u>LSTA Disabilities Grant</u>	<u>Learn and Serve America</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ 459	\$ 3,055	\$ 987	\$ -	\$ 2,309,195
-	-	-	-	-	26,151
-	2,431	21,472	\$ -	-	857,145
-	2,890	24,527	987	-	3,192,491
-	-	-	-	-	76,459
-	2,364	21,724	-	-	504,198
-	330	3,031	-	-	70,362
-	-	-	-	-	39,000
-	-	-	-	-	75,933
-	2,694	24,755	-	-	765,952
-	-	-	-	-	210,429
-	-	-	-	-	386,034
-	-	-	-	-	35,762
-	196	-	987	-	258,614
-	-	-	-	-	42,829
-	-	-	-	-	71,847
-	-	-	-	-	1,421,252
-	-	(228)	-	-	(228)
-	196	(228)	987	-	2,426,539
\$ -	\$ 2,890	\$ 24,527	\$ 987	\$ -	\$ 3,192,491

Dublin City School District, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2012

	Public School <u>Support</u>	Other <u>Grants</u>	Education Foundation <u>Fund</u>	Athletic/ <u>Music</u>
Revenues:				
From local sources				
Tuition	\$ 114,406	\$ -	\$ -	\$ -
Earnings on Investments	-	-	61	-
Other local	666,099	11,481	210,368	1,073,794
Intergovernmental - State	-	-	-	-
Intergovernmental - Federal	-	-	-	-
Other revenue	7	-	-	9,611
Total Revenues	<u>780,512</u>	<u>11,481</u>	<u>210,429</u>	<u>1,083,405</u>
Expenditures:				
Current:				
Instruction				
Regular	343,140	25,906	-	12,458
Special	4,059	3,921	-	-
Vocational	-	9,370	-	-
Other	-	-	-	-
Support Services				
Pupils	10,708	-	-	33,810
Instructional Staff	47,991	18,609	-	-
School Administration	5,195	-	-	-
Fiscal Services	-	-	-	-
Business	-	-	-	-
Maintenance	-	-	-	-
Pupil Transportation	513	-	-	-
Central	4,576	-	-	-
Community Services	72,058	-	-	-
Extra Curricular Activities	3,715	-	-	1,022,984
Miscellaneous	10,232	-	-	600
Capital Outlay	25,503	17,641	-	26,540
Total Expenditures	<u>527,690</u>	<u>75,447</u>	<u>-</u>	<u>1,096,392</u>
Excess (deficiency) of revenue over (under) expenditures	252,822	(63,966)	210,429	(12,987)
Other Financing (Sources) Uses				
Transfers in	-	-	-	67,407
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,407</u>
Net Change in Fund Balance	252,822	(63,966)	210,429	54,420
Fund balance, July 1	1,168,430	105,375	-	331,614
Fund balance, June 30	<u>\$ 1,421,252</u>	<u>\$ 41,409</u>	<u>\$ 210,429</u>	<u>\$ 386,034</u>

<u>Auxiliary Services</u>	<u>Data Communication Support</u>	<u>Assistive Technology Fund</u>	<u>Educational Jobs Fund</u>	<u>Race to the Top</u>	<u>IDEA</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
58	-	-	-	-	-
-	-	-	-	-	-
470,792	34,200	10,000	-	-	-
-	-	-	795,094	191,025	2,165,265
-	-	-	-	-	-
<u>470,850</u>	<u>34,200</u>	<u>10,000</u>	<u>795,094</u>	<u>191,025</u>	<u>2,165,265</u>
-	-	-	175,032	86,808	-
-	-	268	153,151	-	905,850
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	289,016	100,478	201,316
-	34,200	-	151,988	-	362,541
-	-	-	-	-	656,858
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	30,344
-	-	-	-	-	-
458,274	-	-	-	-	59,043
-	-	-	-	-	-
29,810	-	-	-	-	-
12,875	-	-	-	-	767
<u>500,959</u>	<u>34,200</u>	<u>268</u>	<u>769,187</u>	<u>187,286</u>	<u>2,216,719</u>
(30,109)	-	9,732	25,907	3,739	(51,454)
-	-	-	-	-	-
-	-	-	-	-	-
(30,109)	-	9,732	25,907	3,739	(51,454)
65,871	-	-	-	792	285,114
<u>\$ 35,762</u>	<u>\$ -</u>	<u>\$ 9,732</u>	<u>\$ 25,907</u>	<u>\$ 4,531</u>	<u>\$ 233,660</u>

continued

Dublin City School District, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2012

	<u>Fiscal Stabilization</u>	<u>Title II-D</u>	<u>Title III</u>	<u>Title I</u>
Revenues:				
From local sources				
Tuition	\$ -	\$ -	\$ -	\$ -
Earnings on Investments	-	-	-	-
Other local	-	-	-	-
Intergovernmental - State	-	-	-	-
Intergovernmental - Federal	-	8,555	282,142	1,269,322
Other revenue	-	-	-	-
Total Revenues	<u>-</u>	<u>8,555</u>	<u>282,142</u>	<u>1,269,322</u>
Expenditures:				
Current:				
Instruction				
Regular	5,680	-	-	-
Special	5,597	-	194,575	1,101,155
Vocational	5,276	-	-	-
Support Services				
Pupils	4,850	-	-	-
Instructional Staff	5,304	-	100,484	83,310
School Administration	4,943	-	-	-
Business	8,334	-	-	-
Maintenance	4,713	-	-	-
Pupil Transportation	-	-	-	112,618
Central	-	-	-	-
Community Services	-	-	-	1,319
Extra Curricular Activities	-	-	-	-
Miscellaneous	-	-	-	20,800
Capital Outlay	-	8,555	-	2,998
Total Expenditures	<u>44,697</u>	<u>8,555</u>	<u>295,059</u>	<u>1,322,200</u>
Excess (deficiency) of revenue over (under) expenditures	(44,697)	-	(12,917)	(52,878)
Other Financing (Sources) Uses				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(44,697)	-	(12,917)	(52,878)
Fund balance, July 1	44,697	-	26,956	95,707
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,039</u>	<u>\$ 42,829</u>

<u>Drug Free Schools</u>	<u>Preschool</u>	<u>Title IIA</u>	<u>LSTA Disabilities Grant</u>	<u>Learn and Serve America</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,406
-	-	-	-	-	119
-	-	-	-	-	1,961,742
-	-	-	-	-	514,992
9,061	27,584	179,473	2,220	-	4,929,741
-	-	-	-	-	9,618
<u>9,061</u>	<u>27,584</u>	<u>179,473</u>	<u>2,220</u>	<u>-</u>	<u>7,530,618</u>
-	-	106,420	25,193	-	780,637
-	3,871	-	-	2,157	2,374,604
-	-	-	-	-	14,646
9,061	28,024	-	-	-	677,263
-	5,415	73,131	-	-	882,973
-	-	-	-	-	666,996
-	-	-	-	-	8,334
-	-	-	-	-	4,713
-	-	-	-	-	143,475
-	-	-	-	-	4,576
-	-	-	-	-	590,694
-	-	-	-	-	1,026,699
-	-	-	-	-	61,442
-	-	-	-	-	94,879
<u>9,061</u>	<u>37,310</u>	<u>179,551</u>	<u>25,193</u>	<u>2,157</u>	<u>7,331,931</u>
-	(9,726)	(78)	(22,973)	(2,157)	198,687
-	-	-	-	-	67,407
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,407</u>
-	(9,726)	(78)	(22,973)	(2,157)	266,094
-	9,922	(150)	23,960	2,157	2,160,445
<u>\$ -</u>	<u>\$ 196</u>	<u>\$ (228)</u>	<u>\$ 987</u>	<u>\$ -</u>	<u>\$ 2,426,539</u>

**INDIVIDUAL FUND SCHEDULES OF REVENUES,
EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) – Governmental Funds**

Dublin City School District, Ohio
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget:
Debt Service Fund				
Total Revenues and Other Sources	\$26,830,000	\$26,951,536	\$26,951,536	\$0
Total Expenditures and Other Uses	<u>29,456,516</u>	<u>28,493,114</u>	<u>28,493,114</u>	<u>0</u>
Net Change in Fund Balance	(2,626,516)	(1,541,578)	(1,541,578)	0
Fund Balance, July 1	12,651,934	12,651,934	12,651,934	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$10,025,418</u></u>	<u><u>\$11,110,356</u></u>	<u><u>\$11,110,356</u></u>	<u><u>\$0</u></u>
 Capital Projects				
Total Revenues and Other Sources	\$15,510	\$98,402	\$98,402	\$0
Total Expenditures and Other Uses	<u>9,827,732</u>	<u>7,381,580</u>	<u>7,381,580</u>	<u>0</u>
Net Change in Fund Balance	(9,812,222)	(7,283,178)	(7,283,178)	0
Fund Balance, July 1	8,046,123	8,046,123	8,046,123	0
Prior Year Encumbrances Appropriated	<u>5,140,222</u>	<u>5,140,222</u>	<u>5,140,222</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$3,374,123</u></u>	<u><u>\$5,903,167</u></u>	<u><u>\$5,903,167</u></u>	<u><u>\$0</u></u>

Dublin City School District, Ohio
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2012

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget:
Public School Support				
Total Revenues and Other Sources	\$480,035	\$811,823	\$811,823	\$0
Total Expenditures and Other Uses	378,354	519,237	519,237	0
Net Change in Fund Balance	101,681	292,586	292,586	0
Fund Balance, July 1	1,108,014	1,108,014	1,108,014	0
Prior Year Encumbrances Appropriated	12,132	12,132	12,132	0
Fund Balance, June 30	<u>\$1,221,827</u>	<u>\$1,412,732</u>	<u>\$1,412,732</u>	<u>\$0</u>
Other Grants				
Total Revenues and Other Sources	\$11,956	\$11,956	\$11,956	\$0
Total Expenditures and Other Uses	148,376	85,054	85,054	0
Net Change in Fund Balance	(136,420)	(73,098)	(73,098)	0
Fund Balance, July 1	104,899	104,899	104,899	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance, June 30	<u>(\$31,521)</u>	<u>\$31,801</u>	<u>\$31,801</u>	<u>\$0</u>
Education Foundation Fund				
Total Revenues and Other Sources	\$210,368	\$210,429	\$210,429	\$0
Total Expenditures and Other Uses	0	0	0	0
Net Change in Fund Balance	210,368	210,429	210,429	0
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance, June 30	<u>\$210,368</u>	<u>\$210,429</u>	<u>\$210,429</u>	<u>\$0</u>

Dublin City School District, Ohio
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget:
Athletic / Music				
Total Revenues and Other Sources	\$998,948	\$1,150,812	\$1,150,812	\$0
Total Expenditures and Other Uses	1,076,106	1,161,971	1,161,971	0
Net Change in Fund Balance	(77,158)	(11,159)	(11,159)	0
Fund Balance, July 1	277,661	277,661	277,661	0
Prior Year Encumbrances Appropriated	81,446	81,446	81,446	0
Fund Balance, June 30	<u>\$281,949</u>	<u>\$347,948</u>	<u>\$347,948</u>	<u>\$0</u>
 Auxiliary Services				
Total Revenues and Other Sources	\$470,814	\$470,850	\$470,850	\$0
Total Expenditures and Other Uses	602,852	529,469	529,469	0
Net Change in Fund Balance	(132,038)	(58,619)	(58,619)	0
Fund Balance, July 1	80,799	80,799	80,799	0
Prior Year Encumbrances Appropriated	51,239	51,239	51,239	0
Fund Balance, June 30	<u>\$0</u>	<u>\$73,419</u>	<u>\$73,419</u>	<u>\$0</u>
 Data Communication Support				
Total Revenues and Other Sources	\$43,225	\$34,200	\$34,200	\$0
Total Expenditures and Other Uses	43,225	34,200	34,200	0
Net Change in Fund Balance	0	0	0	0
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Dublin City School District, Ohio
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget:
Assistive Technology Fund				
Total Revenues and Other Sources	\$10,000	\$10,000	\$10,000	\$0
Total Expenditures and Other Uses	268	268	268	0
Net Change in Fund Balance	9,732	9,732	9,732	0
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance, June 30	<u>\$9,732</u>	<u>\$9,732</u>	<u>\$9,732</u>	<u>\$0</u>
Educational Jobs Fund				
Total Revenues and Other Sources	\$774,311	\$690,146	\$690,146	\$0
Total Expenditures and Other Uses	774,311	666,399	666,399	0
Net Change in Fund Balance	0	23,747	23,747	0
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance, June 30	<u>\$0</u>	<u>\$23,747</u>	<u>\$23,747</u>	<u>\$0</u>
Race to the Top				
Total Revenues and Other Sources	\$196,771	\$191,025	\$191,025	\$0
Total Expenditures and Other Uses	197,563	187,286	187,286	0
Net Change in Fund Balance	(792)	3,739	3,739	0
Fund Balance, July 1	792	792	792	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance, June 30	<u>\$0</u>	<u>\$4,531</u>	<u>\$4,531</u>	<u>\$0</u>

Dublin City School District, Ohio
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2012

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget:
IDEA				
Total Revenues and Other Sources	\$2,689,484	\$2,290,294	\$2,290,294	\$0
Total Expenditures and Other Uses	2,816,263	2,370,828	2,370,828	0
Net Change in Fund Balance	(126,779)	(80,534)	(80,534)	0
Fund Balance, July 1	108,942	108,942	108,942	0
Prior Year Encumbrances Appropriated	17,837	17,837	17,837	0
Fund Balance, June 30	<u>\$0</u>	<u>\$46,245</u>	<u>\$46,245</u>	<u>\$0</u>
Fiscal Stabilization				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	101,089	101,089	101,089	0
Net Change in Fund Balance	(101,089)	(101,089)	(101,089)	0
Fund Balance, July 1	101,089	101,089	101,089	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Title II-D				
Total Revenues and Other Sources	\$8,555	\$8,555	\$8,555	\$0
Total Expenditures and Other Uses	8,555	8,555	8,555	0
Net Change in Fund Balance	0	0	0	0
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Dublin City School District, Ohio
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget:
Title III				
Total Revenues and Other Sources	\$217,304	\$275,089	\$275,089	\$0
Total Expenditures and Other Uses	245,351	302,996	302,996	0
Net Change in Fund Balance	(28,047)	(27,907)	(27,907)	0
Fund Balance, July 1	7,324	7,324	7,324	0
Prior Year Encumbrances Appropriated	20,723	20,723	20,723	0
Fund Balance, June 30	<u>\$0</u>	<u>\$140</u>	<u>\$140</u>	<u>\$0</u>
Title I				
Total Revenues and Other Sources	\$1,482,098	\$1,290,287	\$1,290,287	\$0
Total Expenditures and Other Uses	1,564,883	1,360,579	1,360,579	0
Net Change in Fund Balance	(82,785)	(70,292)	(70,292)	0
Fund Balance, July 1	81,081	81,081	81,081	0
Prior Year Encumbrances Appropriated	1,704	1,704	1,704	0
Fund Balance, June 30	<u>\$0</u>	<u>\$12,493</u>	<u>\$12,493</u>	<u>\$0</u>
Drug Free Schools				
Total Revenues and Other Sources	\$9,061	\$9,061	\$9,061	\$0
Total Expenditures and Other Uses	9,061	9,061	9,061	0
Net Change in Fund Balance	0	0	0	0
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Dublin City School District, Ohio
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget:
Preschool				
Total Revenues and Other Sources	\$33,310	\$30,879	\$30,879	\$0
Total Expenditures and Other Uses	49,061	46,172	46,172	0
Net Change in Fund Balance	(15,751)	(15,293)	(15,293)	0
Fund Balance, July 1	4,884	4,884	4,884	0
Prior Year Encumbrances Appropriated	10,867	10,867	10,867	0
Fund Balance, June 30	<u>\$0</u>	<u>\$458</u>	<u>\$458</u>	<u>\$0</u>
Title IIA				
Total Revenues and Other Sources	\$206,702	\$184,200	\$184,200	\$0
Total Expenditures and Other Uses	212,140	186,583	186,583	0
Net Change in Fund Balance	(5,438)	(2,383)	(2,383)	0
Fund Balance, July 1	5,438	5,438	5,438	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance, June 30	<u>\$0</u>	<u>\$3,055</u>	<u>\$3,055</u>	<u>\$0</u>
LSTA Disabilities Grant				
Total Revenues and Other Sources	\$2,220	\$2,220	\$2,220	\$0
Total Expenditures and Other Uses	26,180	26,180	26,180	0
Net Change in Fund Balance	(23,960)	(23,960)	(23,960)	0
Fund Balance, July 1	23,960	23,960	23,960	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Dublin City School District, Ohio
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget:
	Original	Final		
Learn and Serve America				
Total Revenues and Other Sources	\$1,657	\$1,657	\$1,657	\$0
Total Expenditures and Other Uses	<u>3,257</u>	<u>3,257</u>	<u>3,257</u>	<u>0</u>
Net Change in Fund Balance	(1,600)	(1,600)	(1,600)	0
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES – Proprietary Funds**

Dublin City School District, Ohio
Combining Statements and Individual Fund Schedules

Internal Service Funds

A fund category used to account for the financing of goods or services provided by one department or agency of the District to other departments or agencies on a cost-reimbursement basis. Charges are intended only to recoup the total cost of such services. A description of the District's Internal Service Funds follows:

Self-Funded Insurance Fund

A fund provided to account for monies received from other funds as payment for providing vision or any other similar employee benefits. The District's self-funded vision plan comprises the activity in this fund. The Self-Funded Insurance Fund may make payments for services provided to employees, for reimbursement to employees who have paid providers, to third party administrators for claim payment or administration, for stop-loss coverage, or any other reinsurance or other similar purposes.

Guidance/Testing Fund

This fund is used to account for monies received as payment for providing college entrance examinations, transcript fees, and college application fees. The Guidance/Testing fund makes payments for college application materials, testing materials, and other items deemed necessary to assist future graduates in gaining admittance to college.

Dublin City School District, Ohio
Combining Statement of Net Assets
Internal Service Funds
as of June 30, 2012

	<u>Self-Funded Insurance</u>	<u>Guidance- Testing</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 270,410	\$ 84,580	\$ 354,990
Total Current Assets	<u>270,410</u>	<u>84,580</u>	<u>354,990</u>
Noncurrent Assets			
Capital Assets, Net	-	2,181	2,181
Total Assets	<u>270,410</u>	<u>86,761</u>	<u>357,171</u>
Liabilities:			
Accounts Payable	-	49	49
Claims Payable	33,209	-	33,209
Total Liabilities	<u>33,209</u>	<u>49</u>	<u>33,258</u>
Net Assets			
Invested in Capital Assets	-	2,181	2,181
Unrestricted	237,201	84,531	321,732
Total Net Assets	<u>\$ 237,201</u>	<u>\$ 86,712</u>	<u>\$ 323,913</u>

Dublin City School District, Ohio
Combining Statement of Revenues, Expenses and
Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2012

	Self-Funded <u>Insurance</u>	Guidance- <u>Testing</u>	<u>Total</u>
Operating Revenues			
Tuition and Fees	\$ -	\$ 255,508	\$ 255,508
Charges for Services	358,067	-	358,067
Total Operating Revenues	<u>358,067</u>	<u>255,508</u>	<u>613,575</u>
Operating Expenses			
Salaries & Wages	-	1,690	1,690
Fringe Benefits	-	260	260
Purchased Services	302,679	12,280	314,959
Material & Supplies	-	72,334	72,334
Depreciation	-	75	75
Other operating expenses	-	151,901	151,901
Total Operating Expenses	<u>302,679</u>	<u>238,540</u>	<u>541,219</u>
Operating Income (loss)	55,388	16,968	72,356
Income before Transfers	<u>55,388</u>	<u>16,968</u>	<u>72,356</u>
Change in Net Assets	55,388	16,968	72,356
Net Assets Beginning of Year	181,813	69,744	251,557
Net Assets End of Year	<u>\$ 237,201</u>	<u>\$ 86,712</u>	<u>\$ 323,913</u>

Dublin City School District, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2012

	<u>Self-Funded Insurance</u>	<u>Guidance- Testing</u>	<u>Total</u>
Cash flows from operating activities :			
Cash received from tuition and fees	\$ -	\$ 255,508	\$ 255,508
Cash received from charges for services	358,067	-	358,067
Cash payments for personal services	-	(1,950)	(1,950)
Cash payments for contract services	(341,133)	(12,286)	(353,419)
Cash payments for supplies and materials	-	(72,334)	(72,334)
Cash payments for other expenses	-	(151,901)	(151,901)
Net cash provided (used) by operating activities	<u>16,934</u>	<u>17,037</u>	<u>33,971</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	-	(2,256)	(2,256)
Net cash used by capital and related financing activities	<u>-</u>	<u>(2,256)</u>	<u>(2,256)</u>
Net Increase (decrease) in cash and cash equivalents :	16,934	14,781	31,715
Cash and cash equivalents at beginning of year	253,476	69,799	323,275
Cash and cash equivalents at end of year	<u>270,410</u>	<u>84,580</u>	<u>354,990</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating Income (loss)	55,388	16,968	72,356
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	75	75
Changes in assets and liabilities:			
Accounts payable	-	(6)	(6)
Claims payable	(38,454)	-	(38,454)
Net cash provided (used) by operating activities	<u>\$ 16,934</u>	<u>\$ 17,037</u>	<u>\$ 33,971</u>

**INDIVIDUAL FUND SCHEDULES OF REVENUES,
EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) – Proprietary Funds**

Dublin City School District, Ohio
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2012

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget:
Food Service				
Total Revenues and Other Sources	\$4,774,925	\$4,823,293	\$4,823,293	\$0
Total Expenditures and Other Uses	4,986,427	5,082,792	5,082,792	0
Net (loss)	(211,502)	(259,499)	(259,499)	0
Fund Balance, July 1	122,921	122,921	122,921	0
Prior Year Encumbrances Appropriated	241,552	241,552	241,552	0
Fund Balance, June 30	<u>\$152,971</u>	<u>\$104,974</u>	<u>\$104,974</u>	<u>\$0</u>
Community Education				
Total Revenues and Other Sources	\$126,000	\$109,594	\$109,594	\$0
Total Expenditures and Other Uses	130,405	74,519	74,519	0
Net Income (loss)	(4,405)	35,075	35,075	0
Fund Balance, July 1	54,460	54,460	54,460	0
Prior Year Encumbrances Appropriated	5,405	5,405	5,405	0
Fund Balance, June 30	<u>\$55,460</u>	<u>\$94,940</u>	<u>\$94,940</u>	<u>\$0</u>
Summer School				
Total Revenues and Other Sources	\$154,000	\$120,425	\$120,425	\$0
Total Expenditures and Other Uses	155,283	159,847	159,847	0
Net (loss)	(1,283)	(39,422)	(39,422)	0
Fund Balance, July 1	104,822	104,822	104,822	0
Prior Year Encumbrances Appropriated	1,284	1,284	1,284	0
Fund Balance, June 30	<u>\$104,823</u>	<u>\$66,684</u>	<u>\$66,684</u>	<u>\$0</u>

Dublin City School District, Ohio
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2012

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget:
Self-funded Insurance				
Total Revenues and Other Sources	\$362,000	\$358,067	\$358,067	\$0
Total Expenditures and Other Uses	<u>355,000</u>	<u>341,133</u>	<u>341,133</u>	<u>0</u>
Net Income	7,000	16,934	16,934	0
Fund Balance, July 1	253,479	253,479	253,479	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$260,479</u></u>	<u><u>\$270,413</u></u>	<u><u>\$270,413</u></u>	<u><u>\$0</u></u>
Guidance - Testing				
Total Revenues and Other Sources	\$225,000	\$255,508	\$255,508	\$0
Total Expenditures and Other Uses	<u>231,415</u>	<u>240,831</u>	<u>240,831</u>	<u>0</u>
Net Income (loss)	(6,415)	14,677	14,677	0
Fund Balance, July 1	63,270	63,270	63,270	0
Prior Year Encumbrances Appropriated	<u>6,527</u>	<u>6,527</u>	<u>6,527</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$63,382</u></u>	<u><u>\$84,474</u></u>	<u><u>\$84,474</u></u>	<u><u>\$0</u></u>

**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES – Fiduciary Funds**

Dublin City School District, Ohio
Combining Statements and Individual Fund Schedules

Agency Funds

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

District Agency Fund

This fund is used to account for monies received through employee payroll deductions to be paid to retirement systems and for various insurances. This fund is also used to account for monies collected for the Win-Win Agreement with Columbus City Schools and for the payment of the obligation owed.

Student Activities Fund

This fund is used to account for monies received by various student organizations. The funds are expended in accordance with a specific purpose statement that has been approved by the District.

Dublin City School District, Ohio
Combining Schedule of Assets and Liabilities - Agency Funds
as of June 30, 2012

	District Agency	Student Activities	Total Agency Funds
Assets:			
Cash and cash equivalents	\$ 2,359,298	\$ 678,376	\$ 3,037,674
Receivables (net of allowances for uncollectibles)			
Accounts	-	2,469	2,469
Due from Other Governments	13,127		13,127
Due from Other Funds	5,089	-	5,089
Total assets	<u>2,377,514</u>	<u>680,845</u>	<u>3,058,359</u>
Liabilities:			
Accounts Payable	67,036	10,043	77,079
Due to Retirement Systems	140,244	-	140,244
Due to Insurances	121,620	-	121,620
Due to Other Governments	2,048,614	-	2,048,614
Due to Students	-	670,802	670,802
Total Liabilities	<u>2,377,514</u>	<u>680,845</u>	<u>\$ 3,058,359</u>

Dublin City School District, Ohio
Combining Statement of Changes in Assets & Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2012

	Beginning Balance July 1, 2011	Additions	Deductions	Ending Balance June 30, 2012
District Agency				
Assets				
Cash and cash equivalents	\$1,463,852	\$895,446	\$0	\$2,359,298
Due from other Governments	0	13,127	0	13,127
Due from other funds	8,909	5,089	8,909	5,089
Total Assets	<u>\$1,472,761</u>	<u>\$913,662</u>	<u>\$8,909</u>	<u>\$2,377,514</u>
Liabilities				
Accounts Payable	\$0	\$67,036	\$0	\$67,036
Due to retirement systems	657,618	140,244	657,618	140,244
Due to insurances	66,529	121,620	66,529	121,620
Due to other Governments	748,614	1,300,000	0	2,048,614
Total Liabilities	<u>\$1,472,761</u>	<u>\$1,628,900</u>	<u>\$724,147</u>	<u>\$2,377,514</u>
Student Activities				
Assets				
Cash and cash equivalents	\$590,289	\$128,969	\$40,882	\$678,376
Accounts Receivable	844	2,469	844	2,469
Total Assets	<u>\$591,133</u>	<u>\$131,438</u>	<u>\$41,726</u>	<u>\$680,845</u>
Liabilities				
Accounts Payable	\$3,645	\$10,043	\$3,645	\$10,043
Due to students	587,488	83,314	0	670,802
Total Liabilities	<u>\$591,133</u>	<u>\$93,357</u>	<u>\$3,645</u>	<u>\$680,845</u>
Total Agency Funds				
Assets				
Cash and cash equivalents	\$2,054,141	\$1,024,415	\$40,882	\$3,037,674
Accounts Receivable	844	2,469	844	2,469
Due from other Governments	0	13,127	0	13,127
Due from other funds	8,909	5,089	8,909	5,089
Total Assets	<u>\$2,063,894</u>	<u>\$1,045,100</u>	<u>\$50,635</u>	<u>\$3,058,359</u>
Liabilities				
Accounts Payable	\$3,645	\$77,079	\$3,645	\$77,079
Due to retirement systems	657,618	140,244	657,618	140,244
Due to insurances	66,529	121,620	66,529	121,620
Due to other governments	748,614	1,300,000	0	2,048,614
Due to students	587,488	83,314	0	670,802
Total Liabilities	<u>\$2,063,894</u>	<u>\$1,722,257</u>	<u>\$727,792</u>	<u>\$3,058,359</u>

**INDIVIDUAL FUND SCHEDULES OF REVENUES,
EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) – Fiduciary Funds**

Dublin City School District, Ohio
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget:
	Original	Final		
Private-Purpose Trust				
Total Revenues and Other Sources	\$8,804	\$13,662	\$13,662	\$0
Total Expenditures and Other Uses	<u>8,280</u>	<u>13,500</u>	<u>13,500</u>	<u>0</u>
Net Change in Fund Balance	524	162	162	0
Fund Balance, July 1	15,801	15,801	15,801	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$16,325</u></u>	<u><u>\$15,963</u></u>	<u><u>\$15,963</u></u>	<u><u>\$0</u></u>



Dave Yost • Auditor of State

DUBLIN CITY SCHOOL DISTRICT

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Bablitt

CLERK OF THE BUREAU

CERTIFIED
JANUARY 8, 2013

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FIVE-YEAR PROJECTION OF OPERATIONAL REVENUES AND EXPENDITURES

DUBLIN CITY SCHOOL DISTRICT
FRANKLIN, DELAWARE AND UNION COUNTIES, OHIO

Following is a summary of a five-year financial projection prepared by the Treasurer of the School District, in compliance with Revised Code Section 5705.391 (see discussion in APPENDIX A under "FINANCES OF THE SCHOOL DISTRICT – Five-Year Projection"). The projection is based upon certain assumptions required to be made in accordance with rules promulgated by the Department, including the assumption that no revenues from future voter-approved tax levies will be available. A complete version of the projection may be obtained from the Treasurer's office or from the Department. Readers of this Official Statement are cautioned that actual circumstances may differ from the assumptions required to be used in preparation of this projection. As a result, the actual future financial situation of the School District may be materially different from that stated in this projection, and investors are cautioned not to place undue reliance on such forward-looking statements.

	ACTUAL 7/07 - 6/08	ACTUAL 7/08 - 6/09	ACTUAL 7/09 - 6/10	ACTUAL 7/10 - 6/11	ACTUAL 7/11 - 6/12	ESTIMATED 7/12 - 6/13	ESTIMATED 7/13 - 6/14	ESTIMATED 7/14 - 6/15	ESTIMATED 7/15 - 6/16	ESTIMATED 7/16 - 6/17
OPERATING REVENUES:										
Real Estate Tax	\$97,709,924	\$99,225,651	\$113,007,145	\$124,286,218	\$126,677,030	\$133,624,232	\$141,895,403	\$143,775,250	\$146,721,678	\$149,613,986
Tangible Tax	7,037,137	4,031,152	1,351,618	747,838	36,950	7,652	0	0	0	0
Interest	3,730,421	2,168,579	1,328,196	565,218	438,701	247,789	120,760	206,857	298,374	392,897
Other Local	1,301,408	1,270,646	1,178,054	1,291,683	1,337,931	1,341,000	1,175,000	1,194,470	1,214,422	1,234,869
Federal	0	0	1,022,089	1,240,380	690,146	104,948	0	0	0	0
State Taxes Reim	13,725,292	16,491,984	20,304,530	21,804,689	18,895,750	16,850,845	15,834,982	13,852,643	14,069,761	14,282,457
State	15,518,157	15,205,011	13,766,775	12,755,743	13,325,468	13,264,225	13,608,225	13,558,225	13,508,225	13,458,225
Total Operating Receipts	\$139,022,339	\$138,393,023	\$151,958,407	\$162,691,769	\$161,401,976	\$165,440,695	\$172,634,370	\$172,587,445	\$175,812,460	\$178,982,434
OPERATING EXPENDITURES:										
Wages	\$97,527,939	\$101,569,801	\$107,369,797	\$111,108,944	\$110,831,340	\$109,284,058	\$111,156,639	\$115,129,985	\$119,193,505	\$123,475,401
Fringe Benefits	27,221,394	29,656,215	32,902,746	36,158,049	38,522,008	38,779,531	41,206,365	45,293,516	49,905,939	55,150,456
Purchased Services	7,461,686	7,568,143	7,754,465	8,083,861	7,437,397	11,479,151	12,272,060	12,642,175	12,665,016	13,044,966
Materials	3,931,126	3,962,513	4,397,508	4,137,385	3,672,855	3,993,974	5,627,670	5,721,668	5,268,486	5,368,209
Capital Outlay	228,253	215,601	284,404	383,373	216,623	256,010	229,700	236,591	243,689	251,000
Other Expenditures	2,161,772	1,790,873	2,398,322	2,602,918	2,363,925	2,793,727	2,877,539	2,963,865	3,052,781	3,144,364
Total Operating Exp.	\$138,532,170	\$144,763,146	\$155,107,242	\$162,474,530	\$163,044,148	\$166,586,451	\$173,369,973	\$181,987,800	\$190,329,416	\$200,434,396
Revenue Over/(Under) Expenditures	\$490,169	(\$6,370,123)	(\$3,148,835)	\$217,239	(\$1,642,172)	(\$1,145,756)	(\$735,603)	(\$9,400,355)	(\$14,516,956)	(\$21,451,962)
OTHER SOURCES (USES):										
Transfers/Advances In	958,350	26,332	5,456	11,420	268	52,519	50,000	50,000	50,000	50,000
Transfers/Advances (Out)	(84,650)	(759,108)	(257,350)	(72,921)	(538,444)	(547,407)	(547,407)	(547,407)	(547,407)	(547,407)
Total Other Sources (Uses)	\$873,700	(\$732,776)	(\$251,894)	(\$61,501)	(\$538,176)	(\$494,888)	(\$497,407)	(\$497,407)	(\$497,407)	(\$497,407)
Total Receipts Over/(Under) Expenditures	\$1,363,869	(\$7,102,899)	(\$3,400,729)	\$155,738	(\$2,180,348)	(\$1,640,644)	(\$1,233,010)	(\$9,897,762)	(\$15,014,363)	(\$21,949,369)
Beginning Cash Balance	\$49,809,779	\$51,173,648	\$44,070,749	\$40,670,020	\$40,825,758	\$38,645,410	\$37,004,766	\$35,771,756	\$25,873,994	\$10,859,631
Ending Cash Balance	\$51,173,648	\$44,070,749	\$40,670,020	\$40,825,758	\$38,645,410	\$37,004,766	\$35,771,756	\$25,873,994	\$10,859,631	(\$11,089,738)
Encumbrances	(\$2,906,419)	(\$3,081,879)	(\$1,858,526)	(\$1,535,296)	(\$1,436,940)	(\$2,582,090)	(\$2,687,235)	(\$2,820,811)	(\$2,950,106)	(\$3,106,733)
Ending Unreserved Balance	\$48,267,229	\$40,988,870	\$38,811,494	\$39,290,462	\$37,208,470	\$34,422,676	\$33,084,521	\$23,053,183	\$7,909,525	(\$14,196,471)
Enrollment	13,427	13,643	13,955	14,223	14,461	14,771	14,991	15,176	15,407	15,514

The Notes To The Five Year Forecast Are An Integral Part Of This Presentation.

DUBLIN CITY SCHOOL DISTRICT
FIVE YEAR FORECAST FOR FISCAL YEARS 2013-2017

**NOTES TO THE FIVE YEAR FORECAST
GENERAL FUND ONLY**

May 28, 2013

REVENUE ASSUMPTIONS

REAL ESTATE VALUE ASSUMPTIONS

Property values are established each year by the County Auditor based on new construction and complete or updated values. A reappraisal update of district property values occurred for 2011 values collected in calendar year 2012. The reappraisal left values reduced. These have been factored into the projection for district property values along with their corresponding tax reduction factors affecting outside voted millage. The Dublin School District has values in Delaware, Franklin and Union Counties.

For collection year 2014 the historic growth trends will be adjusted from/ to: Res./Ag. 1.0% to 1.0 % (no change); Comm./Ind. 2.0% to 2.0% (no change)

For collection year 2015 the historic growth trends will be adjusted from/ to: Res./Ag. 1.0% to 2.0 % (increase); Comm./Ind. 1.0% to 2.0% (increase) Total AV is estimated to increase \$57.6 M for new construction and \$81.0 M due to reappraisal increases resulting in Class I rates of 48.13 mills and Class II rates of 53.51 mills.

For collection year 2016 the historic growth trends will be adjusted from/ to: Res./Ag. 2.0% to 2.0 % (no change); Comm./Ind. 2.0% to 2.0% (no change)

For collection year 2017 the historic growth trends will be adjusted from/ to: Res./Ag. 2.0% to 2.0 % (no change); Comm./Ind. 2.0% to 2.0% (no change)

ESTIMATED ASSESSED VALUE BY COLLECTION YEARS (IN MILLIONS)

Classification	Act. 2013	Est. 2014	Est. 2015	Est. 2016	Est. 2017
Res./Ag.	\$2,053	\$2,078	\$2,177	\$2,221	\$2,270
Comm./Ind.	793	802	842	858	876
P.U... Pers.	59	59	59	59	59
Total	\$2,905	\$2,939	\$3,078	\$3,138	\$3,205

NEW TAX LEVIES

New levies are estimated to be collected at 96% of the annual amount. This allows for 2.25% delinquency and 1.75% A & T fees. Also, 52% of new Res./Ag. is expected to be collected in March tax settlements and 48% collected in August tax settlements. Public Utility taxes are estimated at 50% in March and August. These timing estimates are very important to estimating when new levy or new construction tax dollars will be available to the district. The November 12 voter approved 6.4 mill operating levy beginning collection in January 2013 has been factored into this forecast.

ESTIMATED REAL ESTATE TAX

Source	FY13	FY14	FY15	FY16	FY17
New Base	\$132,029,643	\$139,359,688	\$140,146,444	\$142,324,332	\$145,164,723
New Construction	(10,537)	776,234	1,998,577	2,683,839	2,770,645
Delinquent	2,450,922	2,548,959	2,650,918	2,756,955	2,867,233
Win Win Deduction	(700,000)	(800,000)	(1,200,000)	(1,200,000)	(1,200,000)
Reappraisal	(\$145,796)	10,522	179,311	156,552	11,385
Total	\$133,624,232	\$141,895,403	\$143,775,250	\$146,721,678	\$149,613,986

INTEREST INCOME

Interest income will increase and decrease as the cash position of the General Fund fluctuates over the forecast period. The Federal reserve's overnight rate is 0.00 - 0.25% and is expected to stay at those levels until mid-2015. We'll use approximately 0.15% of general fund revenues as a guide for interest income in FY13. Funds are predominately invested in STAR Ohio, Agencies, T-bills, T-notes and interest bearing sweep accounts. Security of the public funds collected by the district is the top priority of the treasurer's office.

OTHER LOCAL REVENUES

These amounts are estimated based on past trends. Our tuition rate will increase along with the percentage of total General Fund income that comes from local property taxes. Rentals, pay to participate, & student fees are generally stable. Slight increases in building rental rates are planned at this time and could be increased over the five year forecast. Other fees are expected to remain stable.

Source	FY13	FY14	FY15	FY16	FY17
Pay To Participate	\$248,000	\$248,000	\$248,000	\$248,000	\$248,000
Tuition	500,000	510,000	520,200	530,604	541,216
Student Fees	68,000	68,000	68,000	68,000	68,000
Building Rentals	300,000	309,000	318,270	327,818	337,653
Donations	0	0	0	0	0
Other	<u>225,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>
Total	<u>\$1,341,000</u>	<u>\$1,175,000</u>	<u>\$1,194,470</u>	<u>\$1,214,422</u>	<u>\$1,234,869</u>

STATE TAXES REIMBURSEMENT

a) ROLLBACK & HOMESTEAD REIMBURSEMENT

These funds are reimbursements from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers and up to 10% for commercial and industrial taxpayers. These amounts will grow along with new levies and new construction in Res./Ag/ and Comm./Ind. property classifications. HB 66 has eliminated the 10 percent rollback on Class II property (commercial and industrial), and HB119 has expanded the homestead exemption for seniors for the first \$25,000 of value.

Source	FY13	FY14	FY15	FY16	FY17
Base R & H	\$11,382,060	\$12,552,599	\$13,685,857	\$13,852,643	\$14,069,761
New Levy	1,158,606	1,069,483	0	0	0
New Construction	<u>11,933</u>	<u>63,775</u>	<u>166,786</u>	<u>217,118</u>	<u>212,696</u>
Total	<u>\$12,552,599</u>	<u>\$13,685,857</u>	<u>\$13,852,643</u>	<u>\$14,069,761</u>	<u>\$14,282,457</u>

b) TANGIBLE PERSONAL PROPERTY REIMBURSEMENTS

These amounts reflect the state's reimbursement of tangible personal property tax that is being phased out in HB66. The current state biennium budget has increased the rate of the phaseout of the TPP "hold harmless" payments

Source	FY13	FY14	FY15	FY16	FY17
TPP Reimbursement	<u>4,298,250</u>	<u>2,149,125</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$4,298,250</u>	<u>\$2,149,125</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

SUMMARY OF STATE TAXES REIMBURSEMENT

Source	FY13	FY14	FY15	FY16	FY17
Rollback and Homestead	\$12,552,599	\$13,685,857	\$13,852,643	\$14,069,761	\$14,282,457
TPP Reimbursement	<u>4,298,250</u>	<u>2,149,125</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$16,850,849</u>	<u>\$15,834,982</u>	<u>\$13,852,643</u>	<u>\$14,069,761</u>	<u>\$14,282,457</u>

STATE REVENUE ESTIMATES

The current biennium budget for FY12 & FY13 has basic aid for Dublin flat funded from FY11. FY10 & FY11 were supported by one time Federal Stimulus "fiscal stabilization fund" (See Federal section below) that was reduced from basic aid. That reduction was approximately \$1.1 million. The current biennium budget included a \$17 per student "Efficiency and Academic Supplement" for Districts that are rated "Excellent" or "Excellent with Distinction." We believe our District will obtain those ratings and receive the funding. With the best information we have available, we developed estimates for FY13 and beyond.

A) State Foundation Revenue PASS Form

Source	FY13	FY14	FY15	FY16	FY17
BRIDGE Formula	12,460,782	12,658,225	12,608,225	12,558,225	12,508,225
Efficiency and Academic Supplement	247,443	-	-	-	-
Casino Revenue	306,000	700,000	700,000	700,000	700,000
Special Ed Catastroph	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
Total	<u>\$13,264,225</u>	<u>\$13,608,225</u>	<u>\$13,558,225</u>	<u>\$13,508,225</u>	<u>\$13,458,225</u>

FEDERAL

There are two federal programs that were provided to states that were passed onto local school districts. State Fiscal Stabilization Funds (SFSF) to help stabilize state and local budgets in order to minimize and avoid reductions in education and other essential services. Education SFSF for primary and secondary education will be distributed to school districts as part of the foundation settlement payments each month and total foundation support will include both state and federal SFSF funds for FY10 & FY11. The District will also receive monies as of the Education Jobs Fund (Ed Jobs) federal program that is to be used to save or retain education jobs. Ed Jobs can be utilized for the 2010-11 and/or 2011-2012 school years. The District utilized all monies in FY 2012.

Source	FY13	FY14	FY15	FY16	FY17
SFSF	\$0	\$0	\$0	\$0	\$0
Ed Jobs	<u>104,948</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$104,948</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

RETURN OF ADVANCES & REFUND OF PRIOR YEAR EXPENDITURES

These are non-operating revenues which are the repayment of short term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. All advances over year end are planned to be returned in the succeeding fiscal year.

Source	FY13	FY14	FY15	FY16	FY17
Advance Returns	\$39,000	\$50,000	\$50,000	\$50,000	\$50,000
R.O.P.Y.E. (*)	<u>13,519</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$52,519</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>

(*) refund of prior years expenditures.

SHORT TERM BORROWING

No short term or long term General Fund borrowing is anticipated at this time.

EXPENDITURE ASSUMPTIONS

WAGES

The model reflects pay increases approved by the Board of Education for certificated, administrative and technical staff of 1.00% effective August 1, 2010; 1.25% effective August 1, 2011; 1.5% effective August 1, 2012; and estimates for wage increases through FY 2017. Increases and step & training increases are projected to grow as additional staff members are added for new buildings, school improvement plans and growth staff.

Classified employees covered by the DSA agreement were granted increased of 1.0% for contract periods effective July 1, 2010; 1.25% effective July 1, 2011; 1.50% effective July 1, 2012; and estimates have been included through FY 2017.

This model also projects the following major assumptions for future operations of the district:

- FY14 includes approved base wage freezes for all staff
- FY13 Base includes approx \$526,000 from GCOS
- FY13 & 14 reflects reductions in certified staffing made in Spring 2012.
- FY13 includes the contracting of sub personnel services to ESC-COG

Source	FY13	FY14	FY15	FY16	FY17
Base Wages	\$111,458,957	\$109,284,058	\$111,156,639	\$115,129,985	\$119,193,505
Increases	1,671,884	0	1,111,566	1,151,300	1,191,935
Steps & Training	2,117,720	2,076,397	2,111,976	2,187,470	2,264,677
Growth	0	648,828	749,805	724,749	825,284
Staff Reductions	(\$2,916,784)	(\$852,645)	0	0	0
Wage Reductions	(\$247,719)	0	0	0	0
ESC-COG Sub Services	<u>(\$2,800,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$109,284,058</u>	<u>\$111,156,639</u>	<u>\$115,129,985</u>	<u>\$119,193,505</u>	<u>\$123,475,401</u>

FRINGE BENEFIT ESTIMATES

A) STRS/SERS will increase by 14% of wages paid.

Source	FY13	FY14	FY15	FY16	FY17
Base Wages	\$15,604,254	\$15,299,768	\$15,561,929	\$16,118,198	\$16,687,091
Increases	234,064	0	155,619	161,182	166,871
Steps & Training	296,481	290,696	295,677	306,246	317,055
Growth	0	90,836	104,973	101,465	115,540
STRS/SERS Pickup	743,412	780,583	819,612	860,593	903,623
SERS Surcharge	268,353	281,771	295,860	310,653	326,186
SERS Arrearage	268,332	268,332	268,332	268,332	268,332
Staff Reductions	(\$471,350)	(\$119,370)	0	0	0
Wage Reductions	(\$34,681)	0	0	0	0
ESC-COG Sub Services	<u>(\$392,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$16,516,865</u>	<u>\$16,892,616</u>	<u>\$17,502,002</u>	<u>\$18,126,669</u>	<u>\$18,784,698</u>

B) Increase is 6.0% for FY13 and estimates have been included through FY17, for medical, dental and vision insurances which is the best data available at this time.

Source	FY13	FY14	FY15	FY16	FY17
Base Costs	\$19,491,669	\$20,265,257	\$22,253,076	\$25,651,021	\$29,556,654
Growth	0	51,906	59,984	57,980	66,023
Staff Reductions	(\$402,317)	(\$90,613)	0	0	0
Inflation	<u>1,175,905</u>	<u>2,026,526</u>	<u>3,337,961</u>	<u>3,847,653</u>	<u>4,433,498</u>
Total	<u>\$20,265,257</u>	<u>\$22,253,076</u>	<u>\$25,651,021</u>	<u>\$29,556,654</u>	<u>\$34,056,175</u>

WORKERS COMPENSATION

C) Workers compensation is expected to increase by 3.5% per year reflecting growth in wages. We will continue to explore options to our current group rating plan.

Source	FY13	FY14	FY15	FY16	FY17
Base Costs	\$414,904	\$429,426	\$447,881	\$467,515	\$487,703
Growth	0	3,309	3,824	3,696	4,209
Total	<u>\$414,904</u>	<u>\$432,735</u>	<u>\$451,705</u>	<u>\$471,211</u>	<u>\$491,912</u>

D) Medicare will continue to increase along with salaries. Contributions are 1.45% for all new employees to the district since April 1, 1986.

Source	FY13	FY14	FY15	FY16	FY17
Base Costs	\$1,468,990	\$1,430,893	\$1,477,916	\$1,540,896	\$1,605,704
Growth	0	9,408	10,872	10,509	11,967
Staff Reductions	(\$42,293)	(\$12,363)	0	0	0
Wage Reductions	(\$3,592)	0	0	0	0
ESC-COG Sub Services	<u>(\$40,600)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$1,382,505</u>	<u>\$1,427,938</u>	<u>\$1,488,788</u>	<u>\$1,551,405</u>	<u>\$1,617,671</u>

SUMMARY OF FRINGE BENEFITS

Source	FY13	FY14	FY15	FY16	FY17
STRS/SERS	\$16,516,865	\$16,892,616	\$17,502,002	\$18,126,669	\$18,784,698
Insurance's	20,265,257	22,253,076	25,651,021	29,556,654	34,056,175
Workers Comp	414,904	432,735	451,705	471,211	491,912
Medicare	1,382,505	1,427,938	1,488,788	1,551,405	1,617,671
Other	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Total	<u>\$38,779,531</u>	<u>\$41,206,365</u>	<u>\$45,293,516</u>	<u>\$49,905,939</u>	<u>\$55,150,456</u>

PURCHASED SERVICES

The district has negotiated electric and gas service contracts and implemented an aggressive energy conservation program to help hold down energy cost increases. The district contracted with the ESC-COG for sub personnel services in FY 13. Additional maintenance projects were identified over the next couple years so additional monies were allocated in FY 14 & FY15. An overall inflation rate of 3% is being estimated for this category of expense.

Source	FY13	FY14	FY15	FY16	FY17
Base Services	\$7,660,519	\$11,823,526	\$12,215,222	\$12,596,440	\$13,044,966
GCOS	175,000	0	0	0	0
Technology License & Maint Agreements	461,032	23,534	1,953	68,576	0
Maintenance	0	425,000	425,000	0	0
ESC-COG Sub Services	3,232,600	0	0	0	0
Bldg/Dept budget reduction	<u>(50,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$11,479,151</u>	<u>\$12,272,060</u>	<u>\$12,642,175</u>	<u>\$12,665,016</u>	<u>\$13,044,966</u>

MATERIALS AND SUPPLIES

Additional maintenance projects were identified over the next couple years so additional monies were allocated in FY14 & FY15. An overall inflation rate of 3% is being estimated for this category of expense.

Source	FY13	FY14	FY15	FY16	FY17
Supplies	\$3,042,012	\$3,133,272	\$3,227,270	\$3,324,088	\$3,423,811
GCOS	951,962	2,294,398	2,294,398	1,944,398	1,944,398
Maintenance	<u>0</u>	<u>200,000</u>	<u>200,000</u>	<u>0</u>	<u>0</u>
Total	<u>\$3,993,974</u>	<u>\$5,627,670</u>	<u>\$5,721,668</u>	<u>\$5,268,486</u>	<u>\$5,368,209</u>

EQUIPMENT

An overall inflation rate of 3% is being estimated for this category of expense.

Source	FY13	FY14	FY15	FY16	FY17
Capital Outlay	\$223,010	\$229,700	\$236,591	\$243,689	\$251,000
GCOS	33,000	0	0	0	0
Total	<u>\$256,010</u>	<u>\$229,700</u>	<u>\$236,591</u>	<u>\$243,689</u>	<u>\$251,000</u>

OTHER EXPENSES

The category of Other Expenses consist mostly of Auditor & Treasurer fees and County Educational Service Center deductions for participation in the SB140 City/County agreement. Auditor and treasurer fees will increase sharply anytime a new operating levy is collected. Also new construction will cause A & T fees to increase as more tax dollars are collected.

Source	FY13	FY14	FY15	FY16	FY17
Other expenses	\$2,652,227	\$2,877,539	\$2,963,865	\$3,052,781	\$3,144,364
GCOS	141,500	0	0	0	0
Inc. A&T Levy	0	0	0	0	0
Total	<u>\$2,793,727</u>	<u>\$2,877,539</u>	<u>\$2,963,865</u>	<u>\$3,052,781</u>	<u>\$3,144,364</u>

NON OPERATING EXPENSES

This account group covers fund to fund transfers and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. Summer school costs have increased due to additional state mandated remediation of students struggling with achievement tests and because the Board of Education has departed from the policy of making summer school operate at a breakeven with fees collected.

Source	FY13	FY14	FY15	FY16	FY17
Athletic Transfer	\$67,407	\$67,407	\$67,407	\$67,407	\$67,407
Summer School	50,000	50,000	50,000	50,000	50,000
Sinking Fund	380,000	380,000	380,000	380,000	380,000
Refund of Prior Year Receipt	0	0	0	0	0
Advances	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total	<u>\$547,407</u>	<u>\$547,407</u>	<u>\$547,407</u>	<u>\$547,407</u>	<u>\$547,407</u>

TAX ANTICIPATION NOTE REPAYMENT

No General Fund borrowing is planned in this five year projection.

ENCUMBRANCES

These are outstanding purchase orders that have not been approved for payment as goods were not received in the fiscal year in which they were ordered. This is estimated to run about 1.55% of expenditures for the foreseeable future.

ENDING UNENCUMBERED CASH BALANCE

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 will cause a negative unencumbered cash balance is a violation of 5705.412, ORC, punishable by personal liability of \$10,000.

FORM OF APPROVING LEGAL OPINION
OF BRICKER & ECKLER LLP

Fifth Third Securities, Inc.
Columbus, Ohio

We have acted as bond counsel to the Dublin City School District, Franklin, Delaware and Union Counties, Ohio (the "School District") in connection with the issuance by the School District of its \$25,520,000 Various Purpose Bonds, Series 2013A (Tax-Exempt), dated September 17, 2013* (the "Series 2013A Bonds"), and \$2,830,000 Refunding Bonds, Series 2013B (Taxable), dated September 17, 2013 (the "Series 2013B Bonds" and, together with the Series 2013A Bonds, the "Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized and executed by the School District, and are valid and binding general obligations of the School District.
2. The Bonds are secured by the pledge of the full faith and credit of the School District for the payment thereof and by the pledge of the School District to levy ad valorem taxes outside the ten mill limitation of Article XII, Section 2 of the Constitution of the State of Ohio, upon all property on the general tax lists and duplicates of the School District, in an amount sufficient to pay the principal of and interest on the Bonds when due, which taxes are unlimited as to rate and amount.
3. The interest on the Series 2013A Bonds is excludable from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and is not treated as an item of tax preference under Section 57 of the Code for purposes of the alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The opinion set forth in the preceding sentence is subject to the condition that the School District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2013A Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The School District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Series 2013A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2013A Bonds.

4. Interest on the Series 2013B Bonds is **not** excludable from gross income for federal income tax purposes.
5. Interest on the Bonds, the transfer thereof, and any profit made on their sale, exchange or other disposition, 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 in Ohio.

Although we have participated in the preparation of portions of the Official Statement dated August 14, 2013 (the "Official Statement"), relating to the Bonds, we have not been engaged to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement) and we express no opinion and make no representation relating thereto (excepting only the matters set forth as our opinion in the Official Statement). Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

Please be advised that the rights of the holders of the Bonds and the enforceability thereof are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. We bring to your attention the fact that our legal opinions are an expression of our professional judgment and are not a guarantee of a result.

DUBLIN CITY SCHOOL DISTRICT
Franklin, Delaware and Union Counties, Ohio

\$25,520,000
Various Purpose Bonds, Series 2013A (Tax-Exempt)
(General Obligation-Unlimited Tax)

\$2,830,000
Refunding Bonds, Series 2013B (Taxable)
(General Obligation-Unlimited Tax)

SAMPLE CLOSING CERTIFICATE

To Fifth Third Securities, Inc.:

It is my understanding that, in considering whether to purchase the above-captioned obligations, you have relied on the Official Statement for such obligations dated August 14, 2013 (the "Official Statement"), which Official Statement was prepared and executed by and for the Dublin City School District, Franklin, Delaware and Union Counties, Ohio (the "School District") under the direction of the Board of Education of the School District.

In connection with your reliance as stated above, I hereby certify that:

1. I have reviewed the Official Statement and have made such investigation and inquiries as I deemed necessary in the circumstances;
2. The statements and information contained in the Official Statement are correct and complete in all material respects, and they do not omit any statement or information necessary in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading or incomplete in any material respect; and
3. To the best of my knowledge, since the date of the Official Statement, nothing has occurred which has caused, or which might reasonably be expected to cause, a material adverse change in the condition or prospects of the School District.

Date: September 17, 2013

Treasurer, Board of Education
Dublin City School District
Franklin, Delaware and Union Counties, Ohio

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DUBLIN CITY SCHOOL DISTRICT

Franklin, Delaware and Union Counties, Ohio

\$25,520,000

\$2,830,000

**Various Purpose Bonds, Series 2013A (Tax-Exempt)
(General Obligation-Unlimited Tax)**

**Refunding Bonds, Series 2013B (Taxable)
(General Obligation-Unlimited Tax)**

SAMPLE CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Treasurer of the Dublin City School District, Franklin, Delaware and Union Counties, Ohio (the "School District") pursuant to resolutions of the Board of Education of the School District authorizing the issuance and sale of the above-captioned obligations (collectively, the "Bonds"). The School District covenants and agrees as follows:

Section 1. Definitions. The following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the School District referred to in the Official Statement and any appendix thereto.

"EMMA" shall mean the Electronic Municipal Market Access system of the MSRB for use in the collection and dissemination of information, which system the Securities and Exchange Commission has stated to be consistent with its Rule 15c2-12. Currently, the following is the website address for EMMA: emma.msrb.org.

"Listed Events" shall mean any of the events listed in Section 5 of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board, located at:

1150 18th Street, NW, Suite 400

Washington, D.C. 20036-3816

Phone: (202) 223-9347

Fax: (202) 872-0347

Internet: www.msrb.org

"Official Statement" shall mean the Official Statement prepared in connection with the sale of the Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the United States Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the School District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 3. Provision of Annual Reports.

- (a) The School District shall, not later than December 1 of each year, commencing December 1, 2013, provide to the MSRB in an electronic format as prescribed by the MSRB an Annual Report for the fiscal year of the School District ended June 30 of such year, which Annual Report shall be consistent with the requirements of Section 4 of this Disclosure Certificate. The School District shall furnish an Annual Report to any person requesting the same. Requests for Annual Reports shall be made to: Stephen L. Osborne, Treasurer, Dublin City School District, 7030 Coffman Road, Dublin, Ohio 43017, Telephone: (614) 760-4310.
- (b) If the School District fails to provide an Annual Report to the MSRB by the date set forth in subsection (a) of this Section 3, the School District shall send in a timely manner to the MSRB notice of such failure, 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. Contents of the Annual Report.

- (a) The Annual Report shall contain or incorporate by reference the following:
 - (1) Basic Financial Statements of the School District.
 - (2) Five-Year Projection of the School District.
 - (3) Fiscal year data for the table entitled "History of Voted Taxes" and contained in APPENDIX A to the Official Statement under the caption "SCHOOL DISTRICT PROPERTY TAX BASE – History of Voted Taxes."
 - (4) Fiscal year data for the table entitled "Property Tax Collections" and contained in APPENDIX A to the Official Statement under the caption "SCHOOL DISTRICT PROPERTY TAX BASE – Property Tax Rates and Collections."

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, it must be available from the MSRB. If this School District prepares a Comprehensive Annual Financial Report ("CAFR") that includes each of the items listed above, the School District may designate the CAFR 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 Disclosure Certificate, the School District will provide such report to the MSRB as provided in Section 3 of this Disclosure Certificate as soon as it is available.

Section 5. Reporting of Significant Events. The School District shall provide to the MSRB in a timely manner not in excess of ten business days after the occurrence of the event notice of any of the following events with respect to the Bonds:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults, if material;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;
- (f) 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 Bonds, or other material events affecting the tax status of the Bonds;
- (g) Modifications to rights of holders of the Bonds, if material;
- (h) (1) Calls for redemption of the Bonds, if material, other than calls pursuant to the mandatory sinking fund provisions of the Bonds, if any, and (2) tender offers;
- (i) Defeasances;
- (j) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (k) Rating changes;
- (l) Bankruptcy, insolvency, receivership or similar event of the School District;
- (m) The consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, 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; and
- (n) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of subsection (l), above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the School District 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 School District, or if such jurisdiction has been assumed by leaving the existing governing 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 School District.

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. Termination of Reporting Obligation. The School District's obligation under this Disclosure Certificate shall terminate upon the defeasance, redemption or payment in full of all of the Bonds.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the School District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate 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 and 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 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the School District from disseminating any other information (using the means of dissemination set forth in this Disclosure Certificate or any other means of communication) or including any other information in any Annual Report or providing notice of occurrence of events, in addition to that which is required by this Disclosure Certificate. If the School District chooses to include any information in an Annual Report or provide notice of occurrence of events which are not Listed Events in addition to that which is specifically required by this Disclosure Certificate, the School District shall have no obligation to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default; Remedies. Failure of the School District to perform any of its undertakings contained in this Disclosure Certificate shall not constitute an event of default with respect to the Bonds. The exclusive remedy for any such failure shall be enforcement of the School District's obligations to so perform by actions or proceedings taken in accordance with Ohio Revised Code Section 133.25(B)(4)(b) or Section 133.25(C)(1).

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the School District, the Participating Underwriter and the holders of the Bonds, and shall create no rights in any other person or entity.

Date: September 17, 2013

DUBLIN CITY SCHOOL DISTRICT
FRANKLIN, DELAWARE AND UNION COUNTIES, OHIO

By: _____

Title: Treasurer, Board of Education

