



Springboro Community City Schools

Popular Annual Financial Report
For the Year Ended June 30, 2016
Springboro, Ohio



Message from the Treasurer

Springboro Schools Community Members:

As Treasurer/CFO of Springboro Community City Schools, it is my goal to provide the residents with timely and reliable financial information that is easy to understand in order to make informed decisions regarding your investment in our schools. I am excited to present to you the first ever Popular Annual Financial Report (PAFR) to the residents of Springboro, for the 2015 - 2016 school year. Within the PAFR you will find information on where the District's money comes from, and where it goes, as well as a clear picture of how well the resources we receive are being invested in our children's educational future.

Throughout the last several years, the district has made many financial decisions to balance the budget and stretch resources during tough economic times. Some of these included early retirement buyouts, no pay increases for 5 years, reduction in staff through efficiency plan, and minimized the investment in capital needs and textbooks.

However, while these decisions improved the short term picture, the long term forecast contains some challenges. The forecast contains both funded and unfunded Capital needs that have been identified to repair and maintain our facilities. The forecast also contains a textbook plan to address the outdated resources used in the classrooms. Negotiations will begin in January of 2018, which may change FY19-FY21 cash balances. Increases in insurance costs have been built into the forecast as well as anticipated increases in purchased services (special needs, utilities, and other contracted services). As of the close of the fiscal year June 20, 2016, we continue to use data to align our resources to be student-centered while keeping a balanced budget. Additional challenges come from unfunded mandates like college credit plus (CCP). This cost alone went from 70k (post-secondary) in FY14, to \$219k in FY16. This cost is anticipated to reach approximately \$500k by FY18.

The Governor's budget has helped our district significantly as he has continued to invest in education after his re-election in November 2014. In 2016, we received \$14,218,018 in state funding, an increase of 9.23% or \$1,201,691 from the prior year. The new biennium budget will begin in July of 2017. This will allow us to see what implications the new budget may have on our resources and programs for the next two years.

It is my hope that you read through this document, as well as the Superintendent's newsletter, and other valuable information located on our website, www.springboro.org.

If you have any questions regarding this document or the district's finances, please feel free to contact me by phone or email at 937-748-3960 ext. 6002, or tfloyd@springboro.org.

Sincerely,

Terrah Floyd

Treasurer/CFO

Springboro Community City Schools



Superintendent's Message

To the community of the Springboro Schools District:

On behalf of Springboro Schools, I am proud to present our district's Popular Financial Report (PAFR) for the year ending June 30, 2016. Every year we share our PAFR to provide insight into how we invest taxpayer dollars every year.

An investment in college- and career-ready graduates

As a district with a well-earned reputation for student achievement, our highest priority is on funding student programs and staff development. This year we have also stepped up our efforts to strengthen relationships with our community partners.

This past year has given our community much to be proud of. For example, our district was named to the College Board's highly selective 7th Annual AP Honor Roll. Springboro High School also rose 33 spots in the U.S. News & World Report's ranking of Ohio high schools. We now hold the 61st spot and intend to continue improving!

While these accomplishments drive headlines, each and every day our students are mastering the concepts that matter in our global economy. They benefit from lessons that seamlessly incorporate real-world scenarios and technology with the arts and sciences.

The result: Our students graduate armed with the knowledge, skills and grit to pursue the career paths of their choice. That's an investment that benefits our entire community.

An investment in college- and career-ready graduates

This fall, we will ask our community to continue funding world-class educational opportunities. The Board of Education has voted to place a substitute levy on the November 2017 ballot. The levy will replace an emergency five-year tax levy that generates \$7,916,500 annually. This is 18 percent of our budget. It will not count as a new levy, meaning the provision for homestead rollback will still apply.

More information on the levy can be found at our website: www.springboro.org.

Thank you for your continued support of our schools. I am so proud to be here, serving our community. Go Panthers!

Sincerely,

Daniel Schroer

Daniel Schroer
Superintendent



Profile of Springboro Community City School District

In this PAFR:

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Springboro Community City Schools is a district that merges longstanding Panther traditions with innovation in learning. As our district has grown, we continue to invest in maintaining and improving our buildings. Clearcreek Elementary is preschool, kindergarten, and first grade. Dennis and Five Points Elementary each have second through fifth grade. Sixth grade students attend Springboro Intermediate. The Junior High is grades seven and eight, and the high school is grades nine through twelve.

Financial responsibility ensures that the majority of our funding is spent on classroom instruction where all students should receive individualized instruction, enrichment and support. Over the last several years, we have placed heightened emphasis on investing time, resources and turn-around savings in the areas of gifted education and special education. Our fiscal goals are to inspire creativity with student-centered budgeting, while maintaining a balanced budget. We continue to create a 21st Century learning environment for all students. Our youngest students use iPads in learning stations while the Bring Your Own Technology (BYOT) supplements the district's Chromebooks to provide a blended learning platform for students in grades two through twelve.

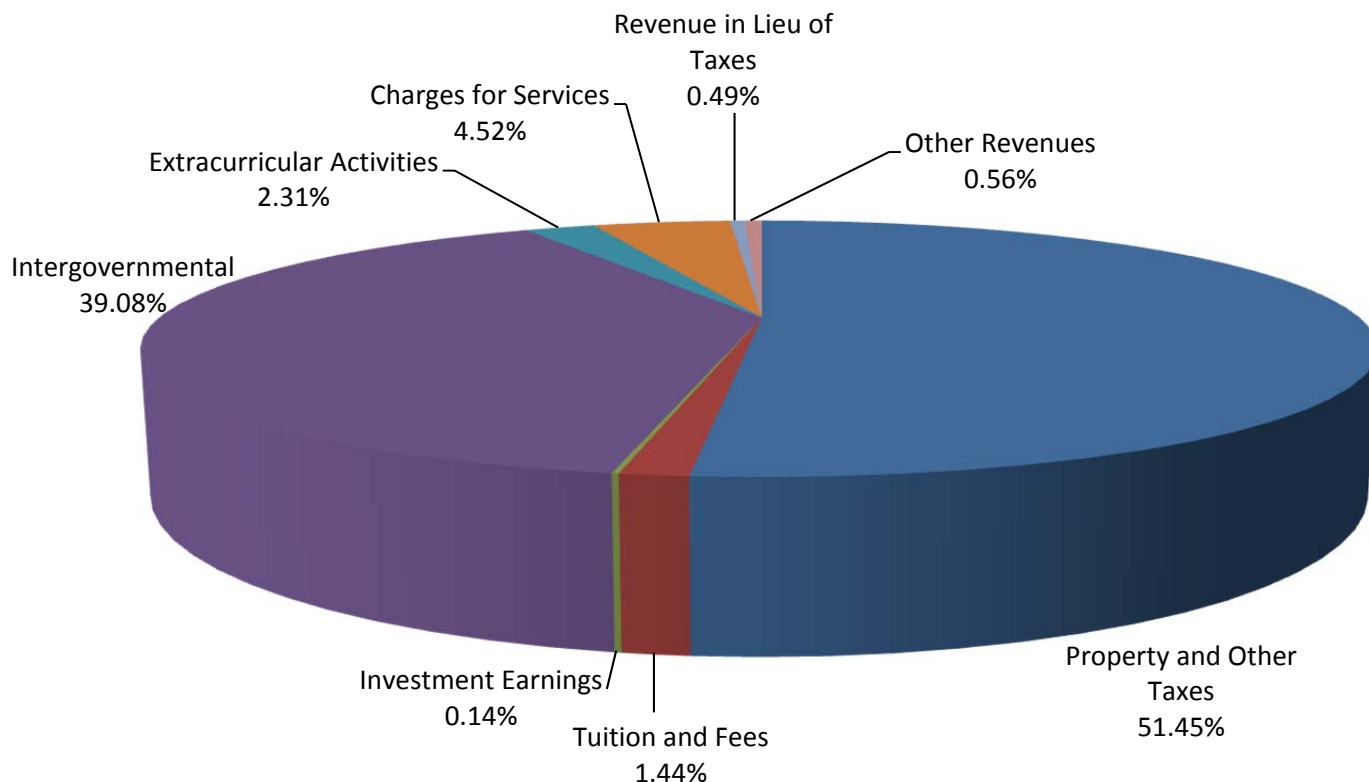
Springboro Schools offers opportunities to excel academically, in athletics, and in the arts to approximately 6,000 students. The district achieves numerous academic honors, GWOC district and conference titles, as well as art and music awards each year.

Building, Enrollment and Ethnicity Information for the District:

District Buildings		Ethnicity	
High School	1	White	90.9%
Jr. High School	1	Asian Pacific	3.5%
Intermediate School	1	Multi-Racial	2.5%
Elementary Schools	3	Black	1.7%
		Latino	1.4%
District Enrollment			
Pre-School	113		
Elementary (K-6)	2,886		
Middle (7-8)	1,026		
High School (9-12)	1,693		
District Total	5,718		



Revenues and Resources for the District



Definitions

Property and Other Taxes are received from both residential and commercial properties.

Intergovernmental includes the per-pupil allotment and homestead/rollback credit and monies received from grants.

All Other Revenues :

- **Tuition and Fees** are money received from patrons, other school districts, and other sources for education provided in the school of the district.
- **Investment Earnings** are interest earned on monies invested by the School District.
- **Extracurricular Activities** shows the money received from school sponsored activities.
- **Charges for Services** is the lease payment money received from Miami Valley Hospital for use of a portion of the School District facilities.
- **Revenue in Lieu of Taxes** is the compensation a local government for some or all of the property tax revenues loses because of the nature of the ownership or use of a particular piece of real property (relates to the foregone property tax revenues to the District).
- **Other Revenues** are money received which are not classified elsewhere.



Property Taxes

The largest source of revenue for our school district is property taxes (\$22.5 million). It is important to understand the impact of tax rates on each taxpayer as well as the impact of tax rates on the district.

Depending on the type of tax levy, the gross rate and the effective rate may change due to inflation. In accordance with House Bill 920, as property valuations increase during the triennial update and reappraisal periods, the voted millage is reduced in order to generate the same amount of tax revenue for the district as was received when each levy was initially approved by the voters.

- The voted operating levies change based upon inflation; therefore, the district generally will not receive additional tax dollars due to inflation for these levies.
- The inside millage operating levy generates additional tax dollars due to inflation; however, this rate makes up less than 10% of the total rate.
- The bond retirement levies are structured to generate a specific amount of tax revenue to cover debt service payments. The gross rate will fluctuate so that it generates the amount of tax revenue required to cover the debt service payments.
- The emergency levy is set for a five-year period with a rate, set by the county, to generate \$7,916,500 of annual tax revenues. This rate will fluctuate so that it generates the \$7,916,500 of annual tax revenues.

Tax Burden on Homeowners

Type	Gross Rate	Effective Rate	Year Approved	Length Approved
Inside-Operating	5.31	5.31		Ongoing
Voted-Operating	23.00	9.42	1976	Continuous
Voted-Operating	3.50	1.78	1977	Continuous
Voted-Operating	8.00	4.35	1985	Continuous
Voted-Operating	3.40	1.95	1988	Continuous
Bond Retirement	2.20	2.20	1995	28
Bond Retirement	4.60	4.60	2004	28
Emergency	8.78	8.78	2013	5
Total Rate	58.79	38.39		

General Fund - Tax dollars are received by the District for day-to-day operations.

Debt Service Fund - Tax dollars are received for the payment of principal and interest on voter approved bond issues related to the construction and renovation of buildings and equipment. Millage rates are set to generate sufficient revenue to pay the principal and interest on the bonds issued.



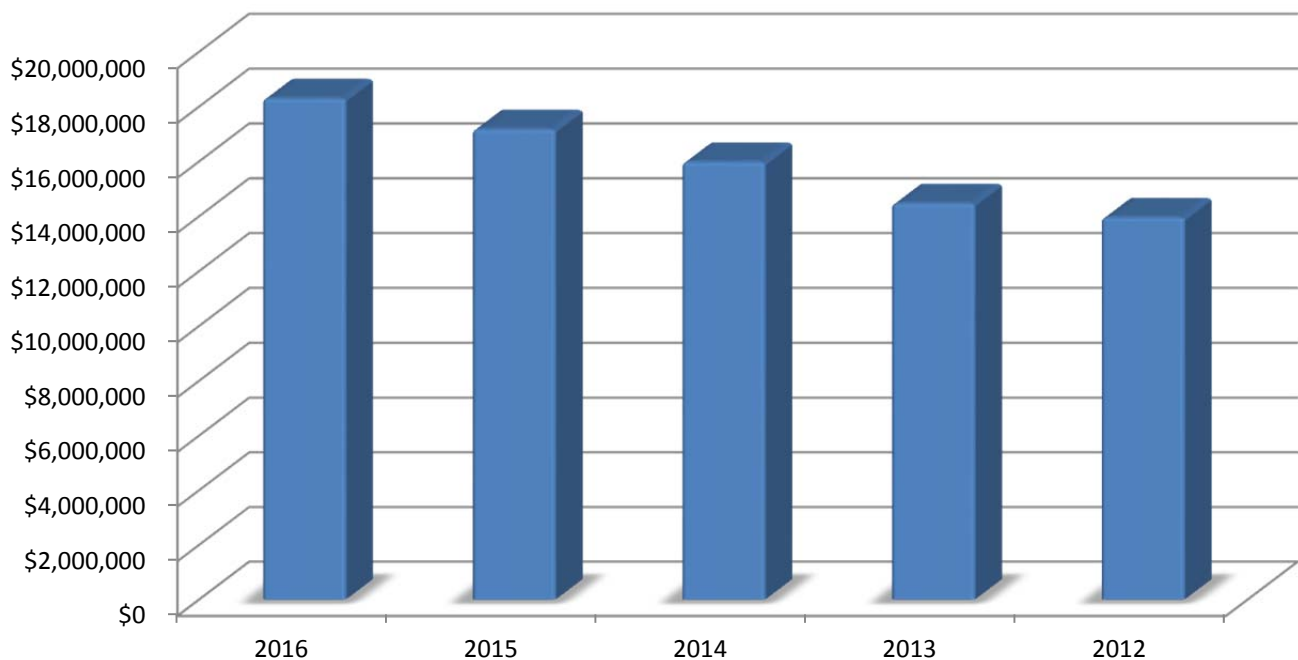
Assessed Values of Property

Collection Year	Residential/ Agricultural and Other Real Estate	Public Utility	Total
2016	\$944,483,070	\$73,624,360	\$1,018,107,430
2015	859,121,079	73,092,980	932,214,059
2014	840,645,460	72,531,280	913,176,740
2013	829,350,990	72,301,530	901,652,520
2012	855,376,590	63,255,810	918,632,400

Intergovernmental Revenues

Intergovernmental revenue consists of both State and Federal Support. State and Federal support for the District totaled \$18.3 million, an increase of \$1.1 million from 2015. This is the result of a new funding formula used by the state, as well as additional homestead and rollback reimbursements, which are credits the state pays on behalf of homeowners' local property taxes. In 2005, the state eliminated the tangible personal property tax, assessed on business equipment and machinery, which was a major source of revenue for our District. The state had been holding districts harmless by reimbursing the lost revenue. Although our reimbursement has been held steady in the current state budget, we currently anticipate it will be reduced in future years. We will continue to engage lawmakers to come up with a permanent solution for those lost revenues.

Intergovernmental Revenue



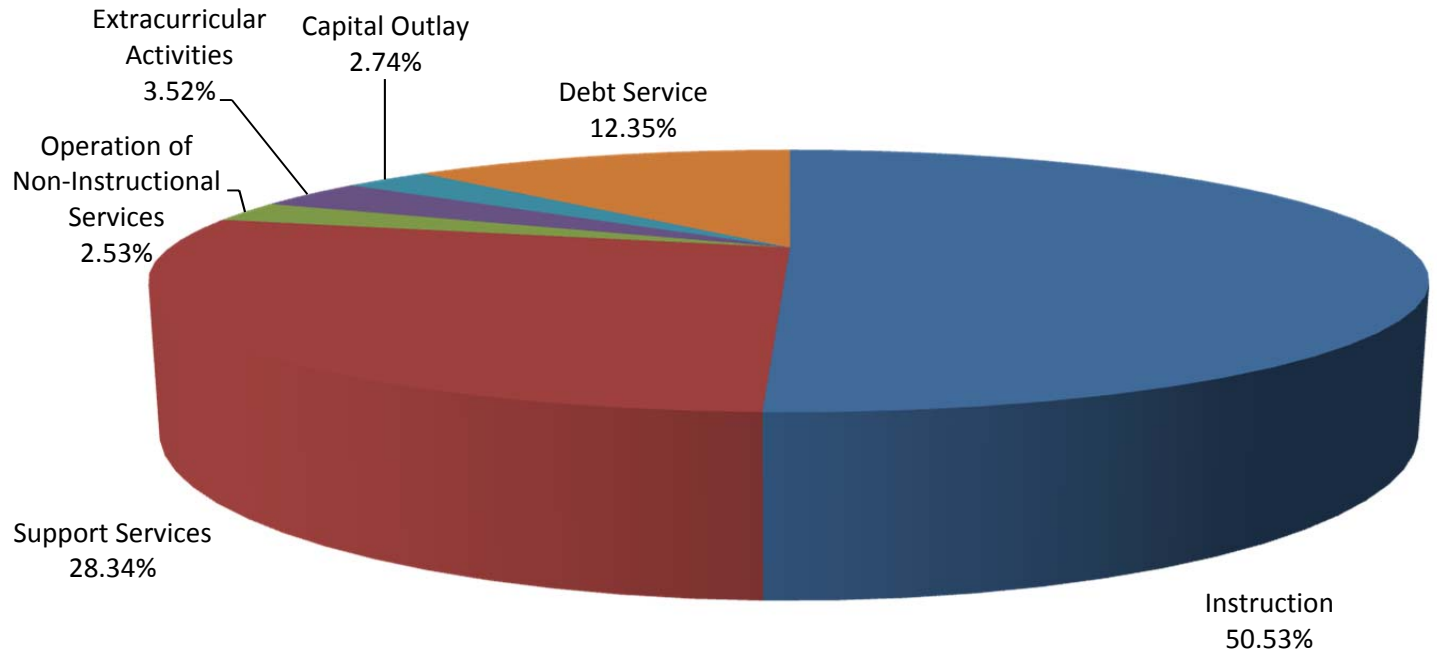
State Sources include different type of aide such as Formula State Aide, Rollback/Homestead Reimbursement, Tangible Tax Reimbursement and Other State Funding. Examples of other state funding includes various state grants, which these state grants are targeted for specific purposes and are intended to supplement the general curriculum.

Federal Sources include grants such as Title VI-B IDEA Part B Special Education, Title I Economically Disadvantaged Youth, and Improving Teacher Quality. These funds are targeted for specific purposes and are intended to supplement the general curriculum.

All Other Revenues

Other revenues include tuition and fees, charges for services, investment income, extracurricular activities revenues, revenue in lieu of taxes and other miscellaneous revenues. These totaled \$2.4 million in 2016, which is very consistent with the prior year.

Expenditures and Services for the District



Definitions

Instructional is the largest expenditure category, and include teachers and teacher aides. Students are directly impacted by expenditures from this category.

Support Services costs include guidance services, nurses, speech, hearing, occupational therapy, physical therapy, psychological services, library services, technology integration support, and literacy collaborative support. These services also include costs that represent those of the administration and Board of Education’s operation of the District. Also included in this category is school building secretarial support and financial services, such as payroll, accounts payable and receivable, auditing, budgeting and reporting, and insurance administration. Transportation provided students who live in the District is included in these costs. Also included in this category are computer network maintenance contracts, data processing services, building maintenance, grounds, and custodial services.

Operation of Non-Instructional Services include food service operations.

Extracurricular Activities include extracurricular activities provided by the District.

Debt Service expenditures relate to the repayment of principal and interest on outstanding debt. The Debt was originally issued for construction and improvement of buildings and equipment upgrades.

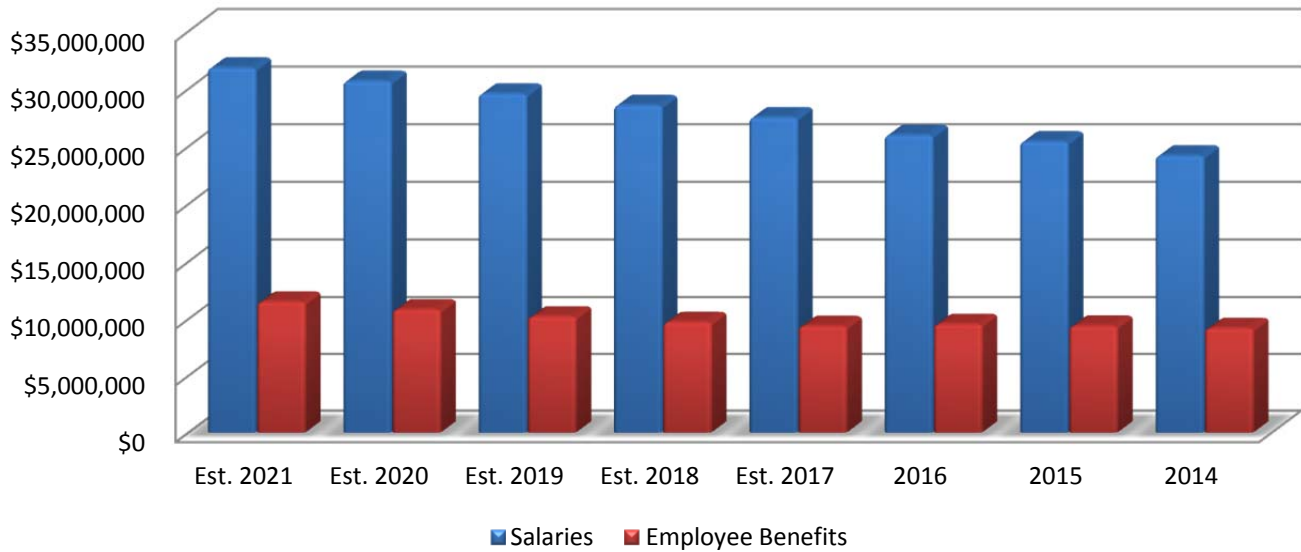
Capital Outlay expenditures are for the purchase, repair, and construction of building and equipment within the District.



Expenditures and Services for the District

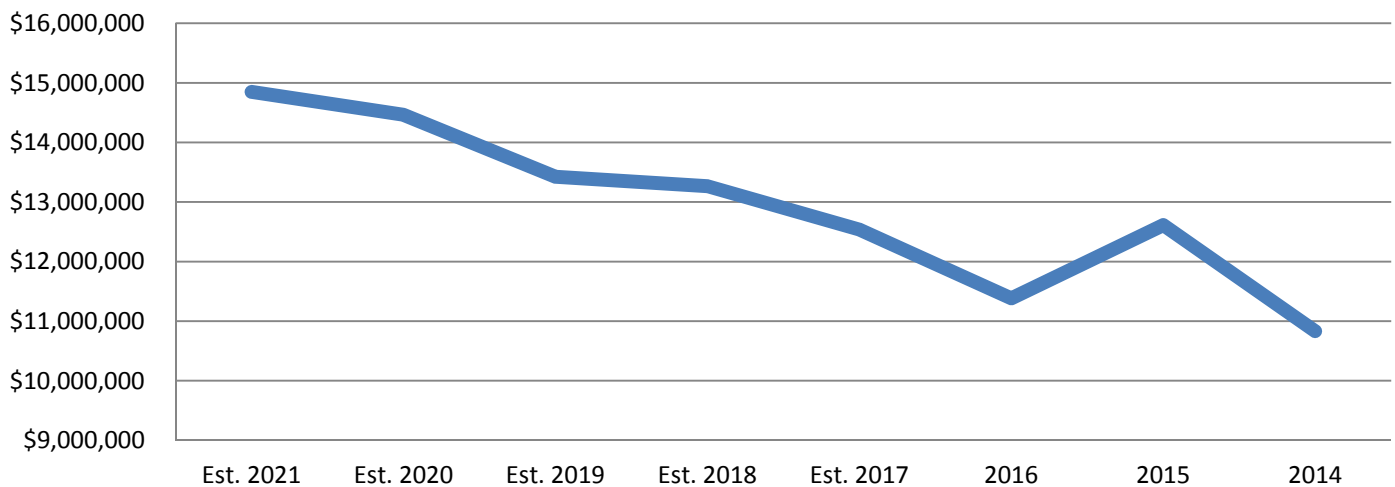
Salaries and Employee Benefits account for the majority (76% in 2016) of operating expenditures (such as employee health insurance costs and retirement contributions), as is the case with almost all school districts. Since 2014, the total of these two categories has increased over \$2.1 million, mainly the result of annual base increases and annual “step” increases for years of experience and the cost of employee health insurance costs have soared over the past decade for all employers, public and private.

Salaries and Employee Benefits



Other Operating Disbursements include everything besides salaries and benefits, such as substitute costs, legal and professional consultants, classroom materials and equipment, utilities, and repairs and maintenance.

Other Operating Disbursements



The data on this page reflects the District’s Five-Year Forecast which is presented on a cash basis. For the complete version of the forecast and assumptions, please visit our website at www.springboro.org

Balance Sheet

The Balance Sheet reports the assets available to provide services. Liabilities are the amounts for which the District is obligated to pay in the future. The fund balance below represents the difference between the assets of the District and the liabilities it must pay. Information below is provided for Governmental Funds only.

Assets

Cash is the amount of physical cash held by the District in checking accounts and on hand for paying expenditures.

Investments consist of cash that is not needed to pay current expenditures. The Treasurer places these funds in a variety of investment options in order to earn interest.

Receivables represent amounts owed to the District at June 30, 2016.

Liabilities and Deferred Inflows

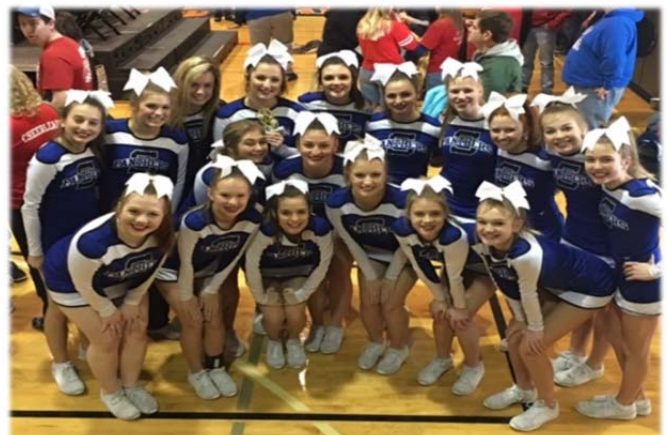
Liabilities are those amounts the District owed to employees, other governments or vendors for items or services that have been provided to the District.

Deferred Inflows are items that cannot be recognized as revenues of the period in which they are received, as the monies will not be available until a subsequent period.

Fund Balance

Fund Balance is the difference between assets and liabilities plus deferred inflows.

Balance Sheet (in millions)	2016	2015	2014	2013	2012
Cash and Investments	\$15,110,197	\$14,847,746	\$14,600,473	\$15,954,580	\$15,905,485
Receivables and Other Assets	34,709,956	32,686,764	32,157,126	33,870,105	34,739,188
Total Assets	\$49,820,153	\$47,534,510	\$46,757,599	\$49,824,685	\$50,644,673
Liabilities	\$6,465,918	\$8,029,886	\$5,987,645	\$5,632,657	\$6,333,901
Deferred Inflows	33,485,217	24,687,282	30,946,177	30,154,795	32,932,086
Total Liabilities and Deferred Inflows	\$39,951,135	\$32,717,168	\$36,933,822	\$35,787,452	\$39,265,987
Assets over Liabilities and Deferred Inflows	\$9,869,018	\$14,817,342	\$9,823,777	\$14,037,233	\$11,378,686



Outstanding Long-Term Debt

During the fiscal year, the District paid \$3.6 million in principal and \$3.5 million in interest during the fiscal year. The District will continue to look for any opportunities to refund outstanding debt, which could bring significant savings to the District.

Long-Term Debt*	Maturity	Interest Rate	Balance
2007 School Improvement Refunding Bonds	12/1/2032	2.00-2.75%	\$48,910,225
2013 School Bus Acquisition Bond	12/1/2017	1.50-2.00%	438,497
2015 Refunding Bonds	12/1/2023	0.50-3.10%	14,285,340
2002 OASBO HB264 Loan	6/1/2017	4.50%	121,000
2015 Certificaton of Partcipitation HB264 Bonds	6/1/2035	2.00-4.00%	4,854,379
Total Bonds and Loans			68,609,441
Capital Lease Obligations	Various	Various	12,135,866
Total Long-Term Debt			\$80,745,307

*-includes premiums and accreted interest, were applicable

Note - The above information does not include Net Pension Liability that was implemented (GASB 67/68) in 2015.

Capital Assets (Property, Plant and Equipment)

A District's inventory of capital assets often represents its most significant investment of resources. Over time, purchases of land improvements, buildings and improvements, furniture and equipment, and other vehicles can result in the accumulation of (tens of) millions of dollars in property. Capital assets generally are acquired or built to help provide essential services (directly or indirectly) to the students of the District.

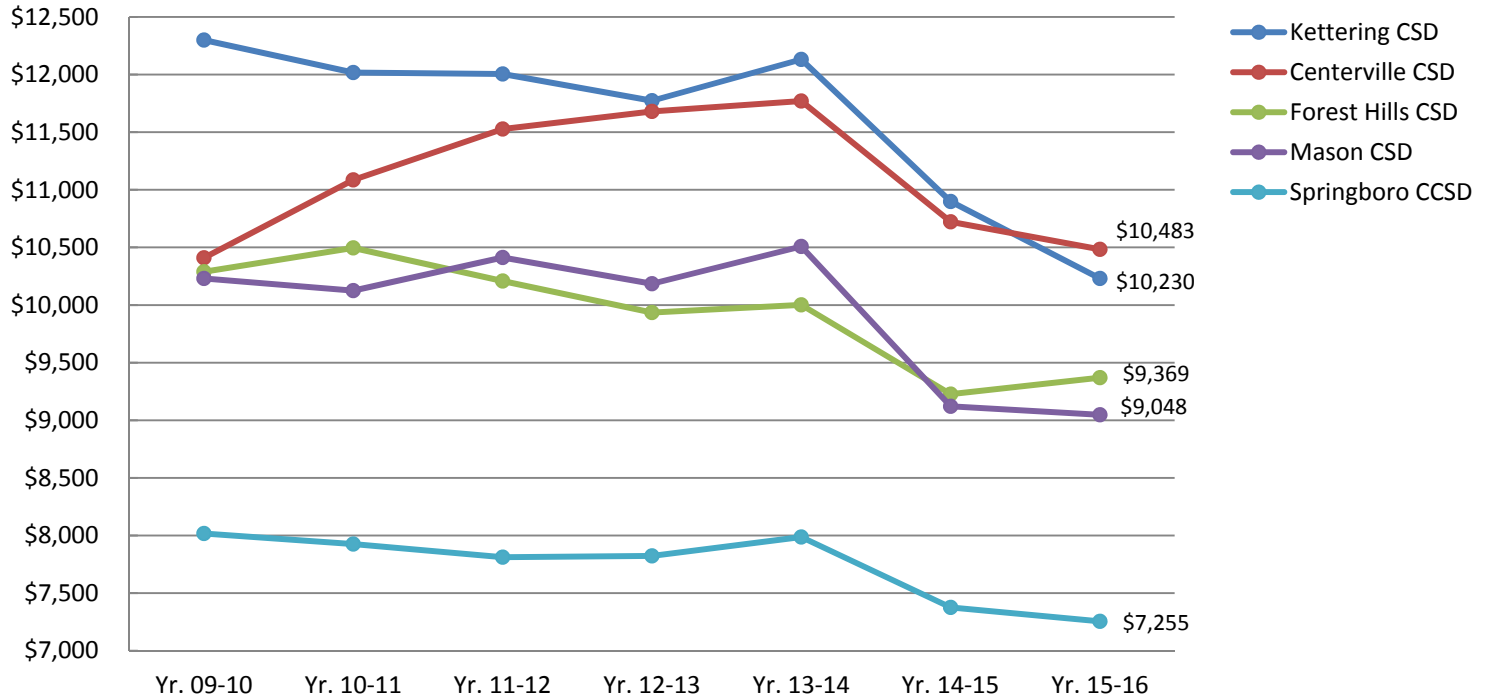
Capital Assets (Property, Plant and Equipment)	2016*	2015	2014	2103	2012
Land	\$1,421,691	\$1,421,691	\$1,421,691	\$1,421,691	\$1,421,691
Construction In Progress	0	0	0	0	588,940
Land Improvements	7,200,890	6,976,694	6,462,145	6,426,823	6,416,605
Buildings and Improvements	104,353,434	104,069,437	102,174,368	101,535,742	100,851,086
Furniture and Equipment	12,007,818	17,716,915	17,291,178	16,321,069	16,081,497
Vehicles	5,164,476	5,393,197	5,196,202	5,188,702	4,219,793
Total Capital Assets	130,148,309	135,577,934	132,545,584	130,894,027	129,579,612
Less: Accumulated Depreciation	(56,525,117)	(58,398,019)	(54,673,775)	(50,840,690)	(47,009,241)
Total Capital Assets , Net	\$73,623,192	\$77,179,915	\$77,871,809	\$80,053,337	\$82,570,371

*-the capital asset threshold for the District was increased from \$500 to \$5,000

Other Information About the District

Cost Per Pupil-This indicator represents the average per student expenditures (in dollars) for instruction, administration, operation, and maintenance for public schools in respective geographic areas during a given school year.

Cost Per Pupil for Similar Districts



Graduation Rate – This grade represents the percentage of students whom entered the 9th grade and graduated 4 years later

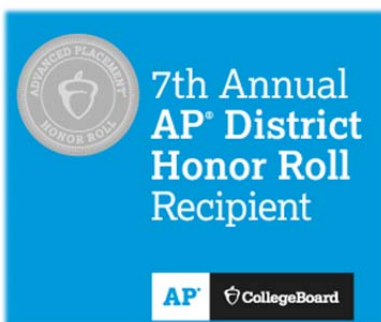
Year 2016	Springboro CCSD	Similar Districts	State Average
Graduation Rate	97.9%	96.7%	83.0%



Springboro High School ranked 61st in the State of Ohio in U.S. News & World Report

2016 District Report Card:

Progress-Overall	Grade A
Indicators Met	24 out of 29 - 82.8%
Performance Index	97.9 out of 120 - 81.6%
Classroom Spending	13 out of 48 District's of similar size



Springboro High School Placed on the College Board's 7th Annual AP® District Honor Roll for Significant Gains in Student Access and Success - only 25 Districts in Ohio achieved this honor.



Springboro Community City Schools

Daniel Schroer, Superintendent
Terrah Floyd, Treasurer and CFO

Board of Education

Dave Stuckey, President
Charles Anderson, Vice President
Lisa Babb, Board Member
Jamie Belanger, Board Member
One Open Board Member Seat

Board of Education and Central Office

1685 South Main Street
Springboro, OH 45066
937-748-3960

Our Schools

Clearcreek Elementary 937-748-3958
Dennis Elementary 937-748-6070
Five Points Elementary 937-748-6090
Springboro Intermediate 937-748-4113
Springboro Junior High 937-748-3953
Springboro High School 937-748-3950

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