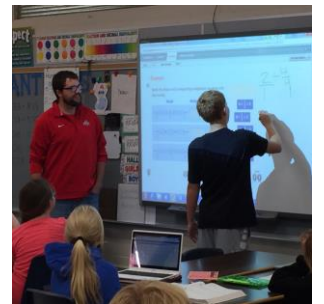
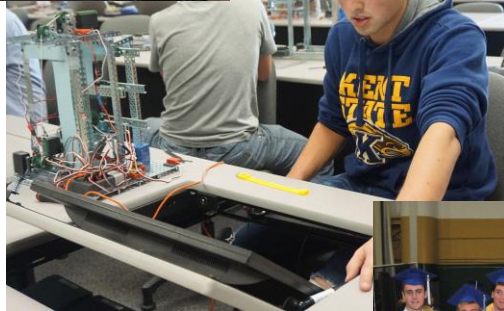




Springboro Community City Schools

Popular Annual Financial Report
For the Year Ending June 30, 2015



Springboro Schools
PAFR 2015

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 2014/15 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, reductions in staff through an efficiency plan, an energy conservation project that allowed us to make some needed repairs to our roofs and HVAC systems allowing the reduction in energy costs to pay for the project. Additionally, we have been able to minimize textbook costs by purchasing digital textbooks and online materials.

Although these decisions have improved the short term picture, the long term forecast still contains some challenges. We have a stable realistic five year forecast that you can find on the Treasurer's page www.springboro.org/Content/240 along with the forecast notes which explain our financial picture in detail. Some of our current challenges are the number of Capital needs that have been identified to repair and maintain the facilities. In addition to the capital needs, our technology and textbook needs are not able to be met within our current forecast. Increased costs in purchased services in special needs, post-secondary education tuition costs now College Credit Plus, and other contracted services created some increased expenses. As of the close of the fiscal year June 30, 2015 we have identified areas in which we can re-allocate funds and find additional cost savings to improve our cash balances in future years.

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 2015, we received \$13,016,327 in state funding which was an increase of 9.65% or \$1,145,219 from the prior year.

Sincerely,

Terrah Floyd

Treasurer/CFO
Springboro Community City Schools



Superintendent's Message

To the residents and taxpayers of the Springboro Schools district:

On behalf of Springboro Schools, I am pleased to present our district's Popular Annual Financial Report (PAFR) for the year ended June 30, 2015. You have the right to know how tax dollars are spent in our schools, and the PAFR provides a clear description of our revenues, expenditures, and the investment that taxpayers make in our district.

For many years, our community has held Springboro Schools to two fundamental expectations: high achievement and financial responsibility. These two simple ideas are tied inextricably together as we work to invest public dollars in providing the opportunities for our students. With the range of state mandates and fiscal challenges impacting public education today, it is important to take a moment to look at the big picture of our district funding and its impact on student achievement.

The business of operating our schools includes everything from maintaining our buildings and grounds, to transportation for more than 5,000 students, to upgrading technology and equipping 21st century classrooms. When you translate the budget into per student spending, our cost per pupil was \$7,376 while the state average was \$9,228 (fiscal year 2014-2015). We continue to look for savings to reinvest back into our classrooms by using student data to drive those decisions. For example, consolidating first grade at Clearcreek this year made it possible to add one new teacher at Springboro Intermediate, which reduced caseloads from 160-180 students per teacher to 120 students per teacher. By placing first grade in the best early-learning environment, we also found a savings to support lower caseloads in sixth grade. Sound financial decisions are part of our student-centered approach.

When we stay focused what is best for Springboro students, our priorities are clear: ***We Engage. We Prepare. We Inspire. We Challenge.*** This new "EPIC" mission statement is not a static paragraph hanging on the wall. Instead, it declares action, and it reflects what we strive to do in our schools every day. There are prescribed curriculum, standards, and assessments, but we need to reach beyond the minimum standards.

Much is possible when we

- Engage every student to be involved and take ownership of his or her learning.
- Prepare every student for the next step with the long-range perspective on college and career readiness.
- Inspire every student to ask questions and pursue their personal interests and passions.
- Challenge every student to set goals and reach for them.



Springboro Schools benefits from outstanding students who arrive ready to learn, exceptional teachers and staff, dedicated parents who understand the importance of education, and a supportive community. This PAFR offers stakeholders another perspective on our district: the financial picture. I hope you will let us know your thoughts on the financial information provided here. You are welcome to call us at 937-748-3960 or email boronews@Springboro.org with your comments and questions.

Thank you for your continued support of Springboro Schools. Go Panthers!

Sincerely,

Todd Petrey

Todd Petrey
Superintendent

Profile of Springboro Community City School District

In this PAFR:

Revenues	Pages	5-7
Property Taxes	Page	6
Intergovernmental		
Revenues	Page	7
Expenditures	Pages	8-9
Balance Sheet	Page	10
Long-Term Debt and		
Capital Assets	Page	11
Other Information	Page	12

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 four years, we have placed heightened emphasis on investing time, resources and turn-around savings in the areas of gifted education and special education. We are working 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.

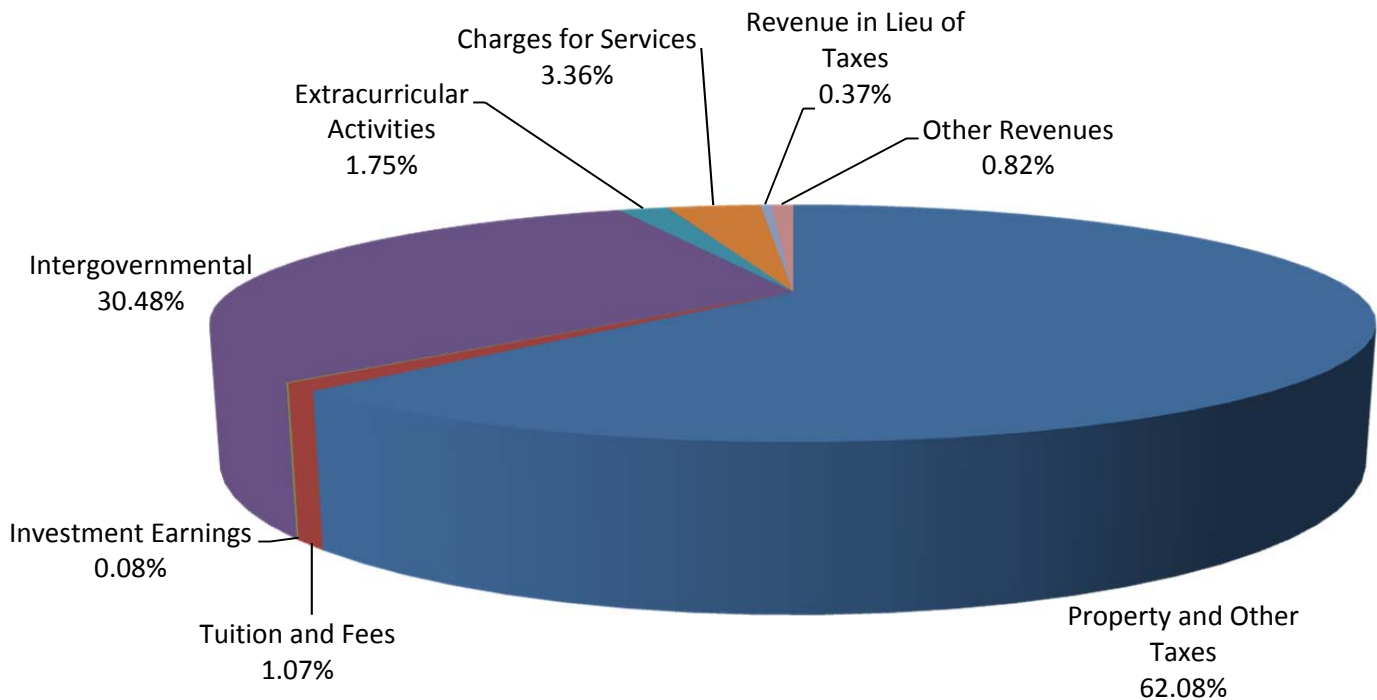
Springboro Schools offers opportunities to excel academically, in athletics, and in the arts to more than 5,000 students. The district achieves numerous academic honors, GWOC district and conference titles, as well as art and music awards each year.

Building, Enrollment and Ethnicity Information for the District:

District Buildings		Ethnicity	
High School	1	White	90.7%
Jr. High School	1	Asian Pacific	3.4%
Intermediate School	1	Multi-Racial	2.6%
Elementary Schools	3	Black	1.7%
		Latino	1.5%
		Native American	0.1%
District Enrollment			
Pre-School	89		
Elementary (K-6)	3,091		
Middle (7-8)	1,001		
High School (9-12)	1,730		
District Total	5,911		



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 (\$32,658,272). 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.



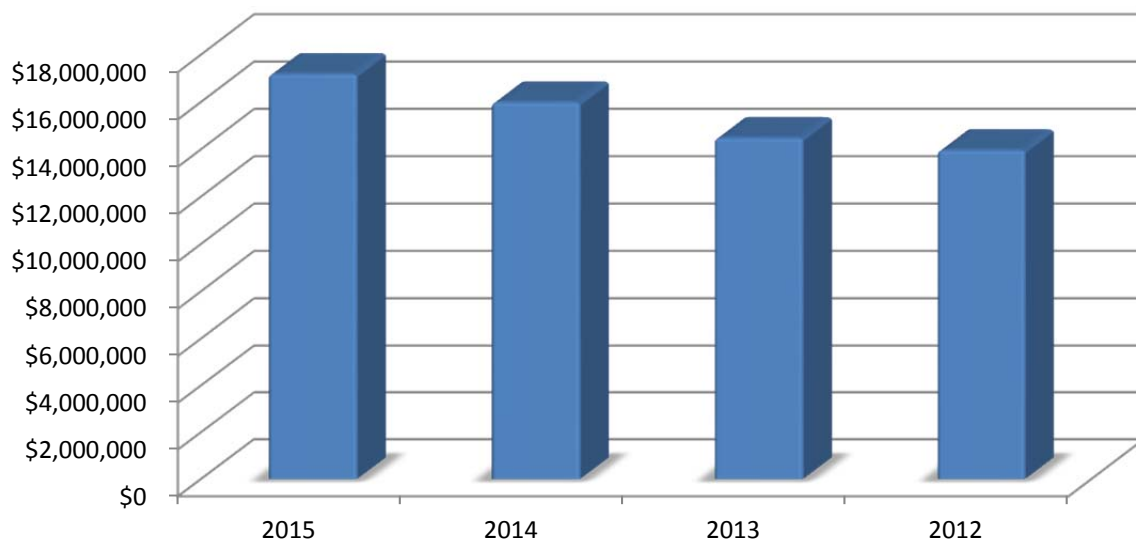
Assessed Values of Property

Collection Year	Residential/ Agricultural	Commercial/ Industrial	Public Utility	Total
2015	\$786,710,400	\$72,410,670	\$73,092,980	\$932,214,050
2014	768,630,180	72,015,280	72,531,280	913,176,740
2013	757,097,780	72,253,210	72,301,530	901,652,520
2012	781,920,670	73,455,920	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 \$17.2 million, an increase of \$1.2 million from 2014. 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.

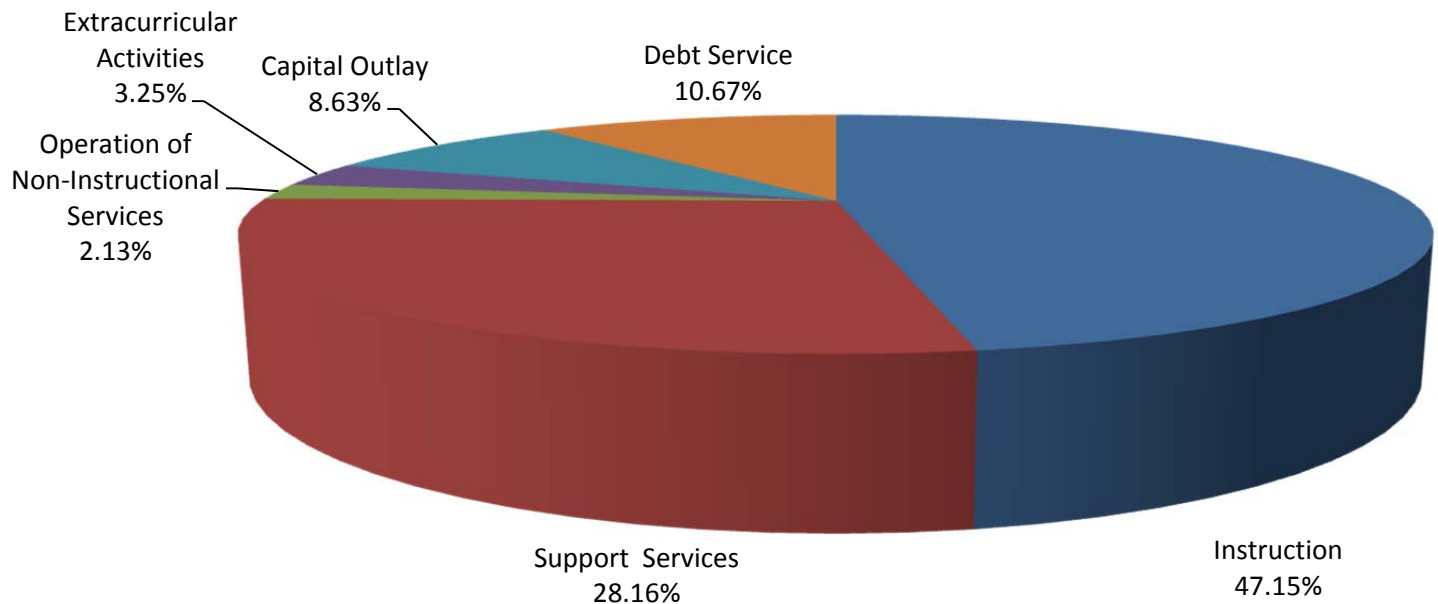
Federal Sources include grants such as Title VI-B IDEA Part B Special Education, Title I Economically Disadvantaged Youth, and Improving Teacher Quality. These funds are targeted for specific purposes and are intended to supplement the general curriculum.

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 2015, which is relatively consistent with last 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.

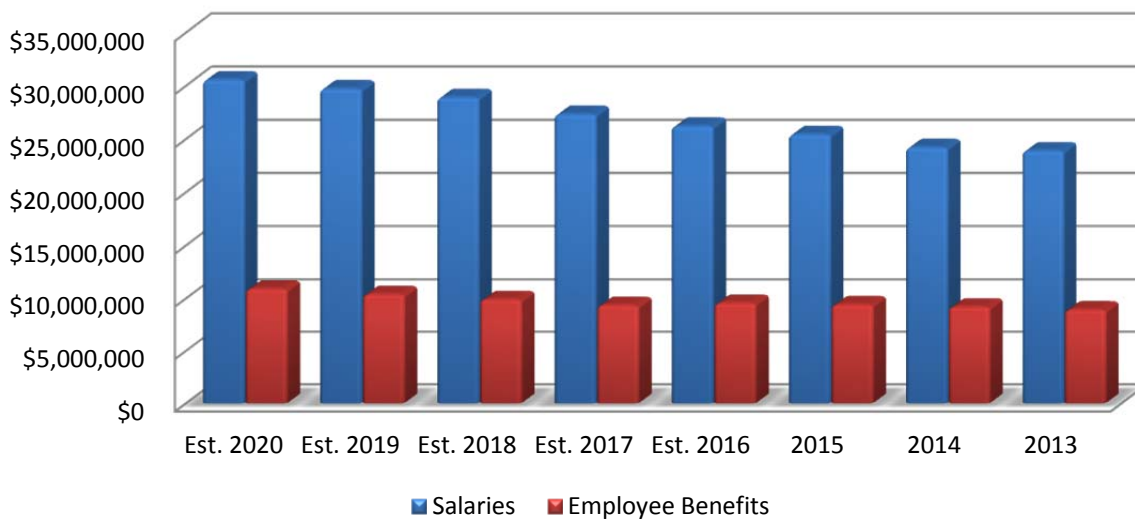
Capital Outlay expenditures are for the purchase, repair, and construction of building and equipment within the District.



Expenditures and Services for the District

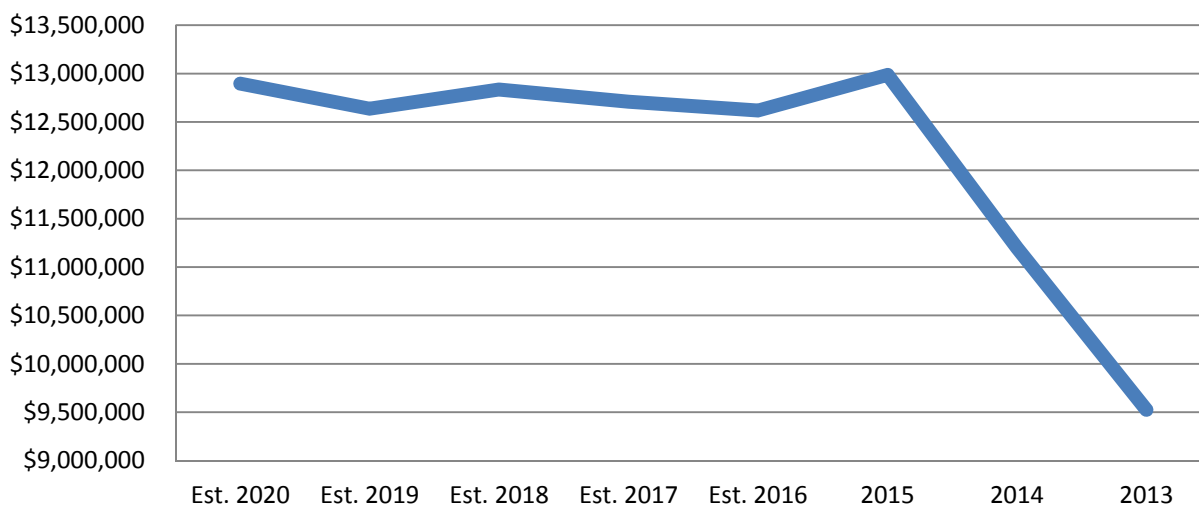
Salaries and Employee Benefits account for the majority (73% in 2015) of operating expenditures (such as employee health insurance costs and retirement contributions), as is the case with almost all school districts. Since 2013, the total of these two categories has increased \$2.0 million, mainly the 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, 2015.

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



Outstanding Long-Term Debt

Through issuing \$13.255 million in advance refunding bonds during the fiscal year, District saved \$0.4 million. The District paid \$2.7 million in principal and \$3.7 million in interest during the fiscal year. The District will continue to look for any opportunities to refund outstanding debt.

Long-Term Debt*	Maturity	Interest Rate	Balance
1996 and 1991 Refunding Bonds	12/1/2023	3.50-6.00%	\$1,470,000
2007 School Improvement Refunding Bonds	12/1/2032	2.00-2.75%	49,693,473
2013 School Bus Acquisition Bond	12/1/2017	1.50-2.00%	652,746
2015 Refunding Bonds	12/1/2023	0.50-3.10%	14,638,870
2002 OASBO HB264 Loan	6/1/2017	4.50%	243,000
2015 Certificaton of Partcipitation HB264 Bonds	6/1/2035	2.00-4.00%	5,045,021
Total Bonds and Loans			71,743,110
Capital Lease Obligations	Various	Various	12,502,922
Total Long-Term Debt			\$84,246,032

*-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)

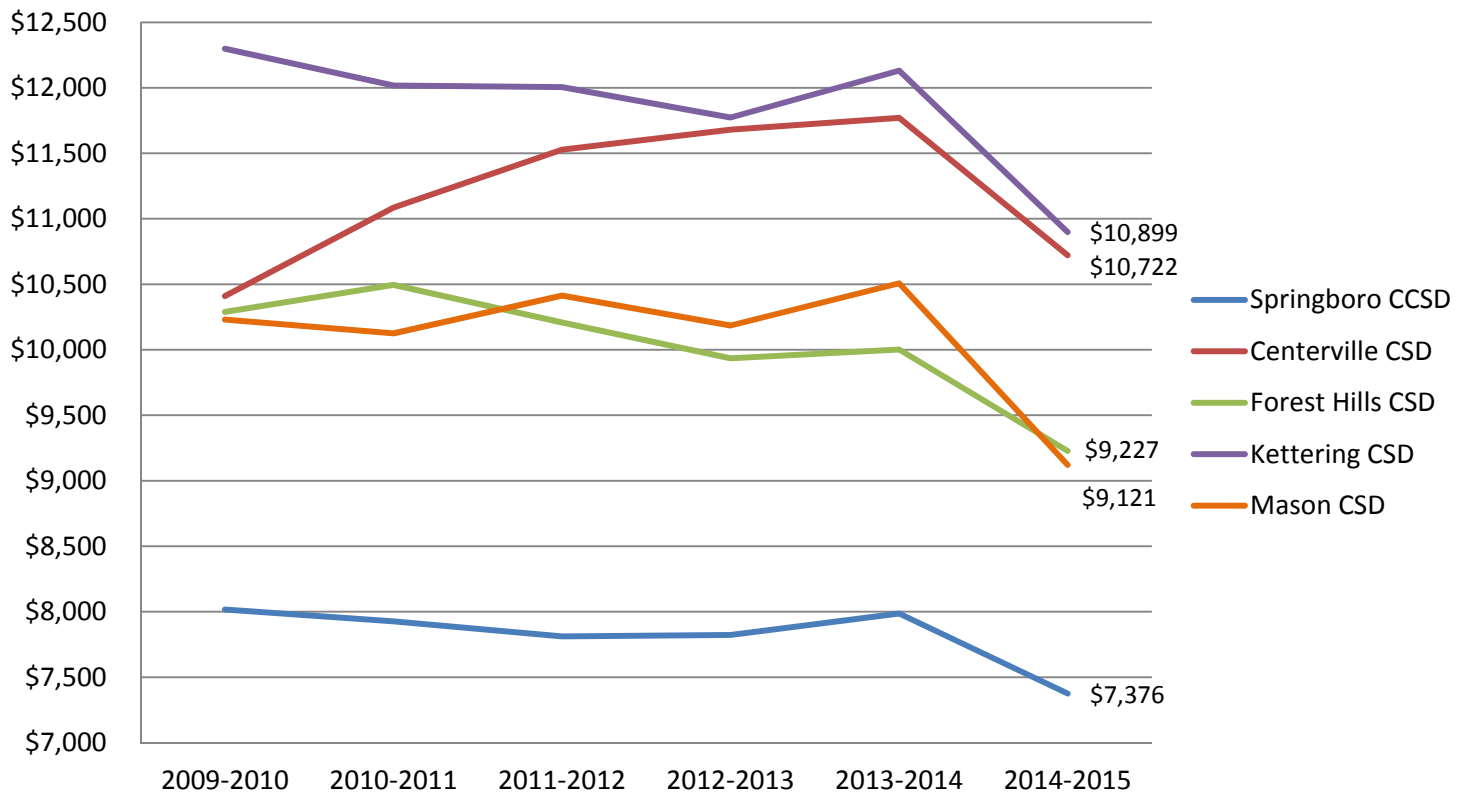
A District's inventory of capital assets often represents its most significant investment of resources. Over time, purchases of land improvements, buildings and improvements, furniture and equipment, and other vehicles can result in the accumulation of (tens of) millions of dollars in property. Capital 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)	2015	2014	2103	2012
Land	\$1,421,691	\$1,421,691	\$1,421,691	\$1,421,691
Construction In Progress	0	0	0	588,940
Land Improvements	6,976,694	6,462,145	6,426,823	6,416,605
Buildings and Improvements	104,069,437	102,174,368	101,535,742	100,851,086
Furniture and Equipment	17,716,915	17,291,178	16,321,069	16,081,497
Vehicles	5,393,197	5,196,202	5,188,702	4,219,793
Total Capital Assets	135,577,934	132,545,584	130,894,027	129,579,612
Less: Accumulated Depreciation	(58,398,019)	(54,673,775)	(50,840,690)	(47,009,241)
Total Capital Assets , Net	\$77,179,915	\$77,871,809	\$80,053,337	\$82,570,371

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



Graduation Rate - This grade represents the percentage of students whom entered the 9th grade and graduated 4 and 5 years later

Year 2015	Springboro CCSD	Similar Districts	State Average
Graduation Rate	98.4%	96.7%	82.2%

2015 District Report Card:

Progress-Overall	Grade A
Indicators Met	32 out of 33 - 97.0%
Performance Index	97.2 out of 120 - 81.0%
Classroom Spending	15 out of 49 District's of similar size



Springboro High School Placed on the College Board's 6th 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

Todd Petrey, Superintendent
Terrah Floyd, Treasurer and CFO

Board of Education

Dave Stuckey, President
Charles Anderson, Vice President
Lisa Babb, Board Member
Jamie Belanger, Board Member
Darin Lunt, Board Member

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 937-748-3952
Springboro High School 937-748-3950

www.Springboro.org

Email: boronews@Springboro.org

www.facebook.com/SpringboroSchools