



Popular Annual Financial Report
For the Year Ended June 30, 2019
Springboro, Ohio

Springboro Community City Schools



Message from the Treasurer

Springboro Schools Community Members:

On behalf of Springboro Schools, I am proud to present our district's Popular Annual Financial Report (PAFR) for the year ending June 30, 2019. Each year we share our PAFR with our stakeholders to provide open and transparent insight into how their tax dollars are being spent.

As Treasurer/CFO of Springboro Community City Schools, it is my priority to provide the residents with timely and reliable financial information, which is easy to understand in order to make informed decisions regarding your investment in our schools. Within the PAFR you will find information on where the district's resources come from, and where the money is spent, as well as a clear picture of how well the resources we receive are being invested in your children's educational future.

Throughout the last several years, the district has made many difficult financial decisions to balance the budget and stretch resources during tough economic times. Some of these items have been through attrition, resource allocation, and the use of data to make important educational decisions.

While these decisions have improved the short-term picture, the long-term forecast contains significant challenges. The forecast contains both funded and unfunded capital needs items that have been identified to repair and maintain our facilities. College Credit Plus, an unfunded mandate has also caused a financial burden in the tune of 500k per year and growing. State funding is flatlined over the next two years, and we are starting to see our public utility revenue level out. Our five-year forecast shows deficit spending in each of the next five years. Future decisions will need to be made in order to maintain the current level of educational offerings and experiences for our students.

Our current forecast has allocated resources for a textbook plan, technology plan, and staffing plan through June 30, 2024. Future negotiations with the certified and classified unions, will affect our current five-year forecast for FY22-FY24. Increased costs in special education, contracted services, and significant unmet facility needs also pose challenges within our current forecast.

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:

As a district with a well-earned reputation for student achievement, our highest priority is to assure all students graduate ready to achieve the success they desire in life, while incorporating a safe learning environment. Through this, Springboro Schools provides engaging and innovative educational experiences, effectively investing the proper resources to sustain exceptional student and staff success. This would not be possible without the strong relationships our district continues to maintain with our community partners and business leaders.

Recently, Springboro Schools earned an "A" grade (2017-2018), according to the Ohio Department of Education (ODE) state report cards. Springboro Schools was one of only twenty-eight (28) school districts in the State of Ohio (out of 608 school districts) to achieve this incredible honor, putting Springboro Schools in the top 1% of all school districts in the State of Ohio. A district that continues to achieve, there is much more to be proud of in Springboro Schools.

Ohio's State Board named Springboro Schools an "Overall 'A' Award Winner" for demonstrating high academic performance and building bright futures for students of every background and ability level. Springboro Schools was named to the College Board's highly selective 10th Annual AP Honor Roll. Springboro High School was ranked fifty third (#53) by the U.S. News & World Report on their 2019 Best Ohio High School Rankings, which includes over eight hundred (800) high schools throughout the State of Ohio.

Our district continues to achieve above a 99% passing success rate on the Third Grade Reading Guarantee, while also offering twenty-seven (27) Advanced Placement (AP) courses at Springboro high School. The district's preschool is one (1) of only twenty (20) programs in Warren County awarded as a Step Up to Quality 5 Star Award recipient, and our Junior High School was recently awarded a Purple Star Designation by the Ohio Department of Education. In addition, Springboro Schools is among the top 20% of public school districts with the highest academic performance index scores.

While these accomplishments drive headlines, each and every day our students are mastering concepts that matter to our global economy. Our students benefit from lessons that seamlessly incorporate real-world scenarios and technology with the arts and sciences. The results show Springboro students graduate equipped with the knowledge, skills, and grit to pursue the career paths of their choice. This type of investment is one which is beneficial to our entire community.

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

Sincerely,

Carrie Hester

Carrie Hester, Interim Superintendent



Profile of Springboro Community City School District

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Springboro 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 school 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 receive individualized instruction, enrichment and support. Over the last several years, Springboro Schools has placed heightened emphasis on investing time, resources, and turn-around savings in the areas of; safety and security, gifted education, student wellness and special education. Our fiscal goal is to maintain a balanced budget while supporting academic excellence and expanding resources for students and staff. 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.

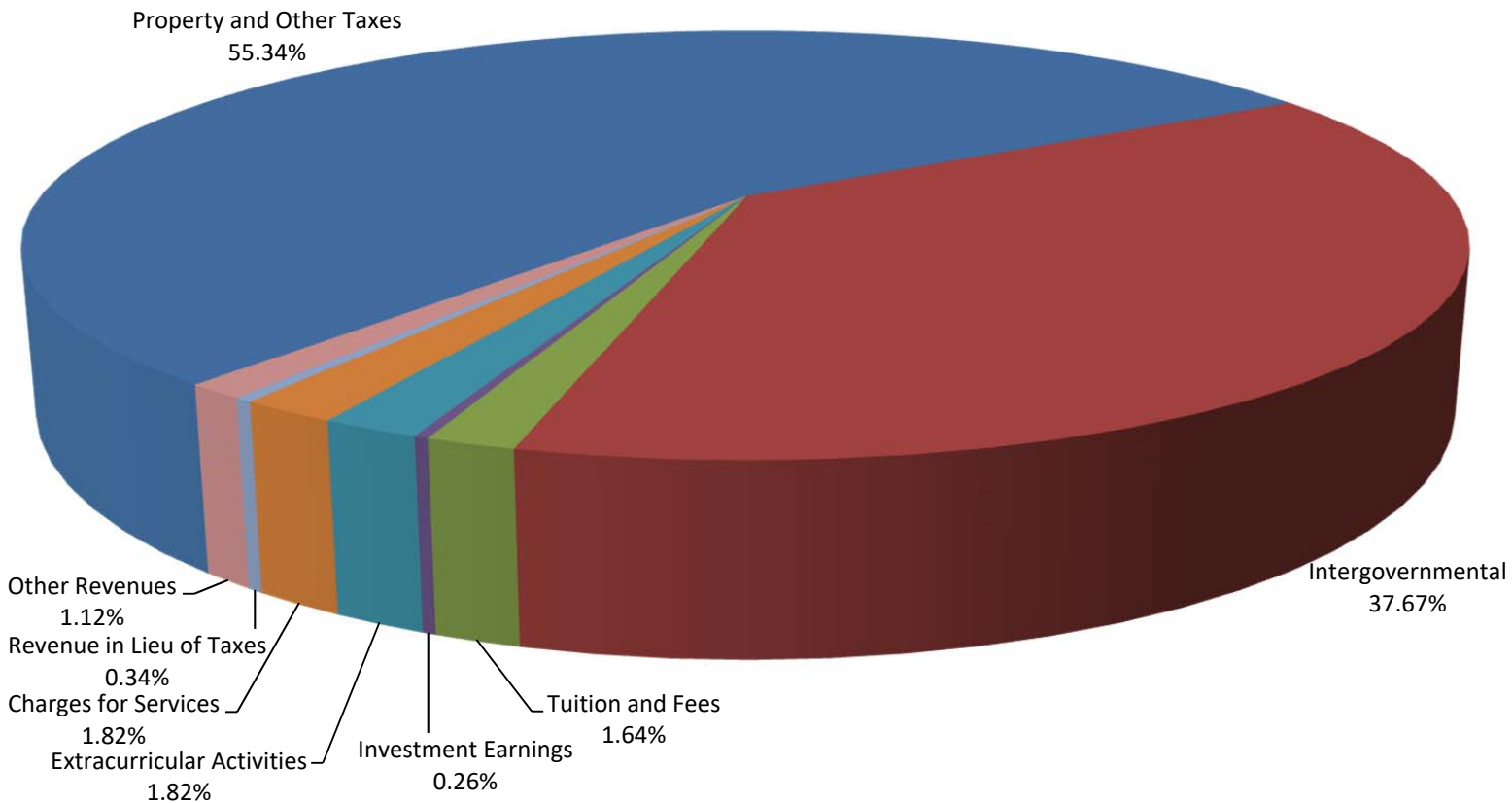
Springboro Schools offers opportunities to excel academically, in athletics, and in the arts to approximately 6,000 students. The district achieves numerous academic honors both nationally and at the state level, GWOC district and conference titles, as well as art and music awards each year.

Building, Enrollment and Ethnicity Information for the District:

<u>District Buildings</u>		<u>Ethnicity</u>	
High School	1	White	91.1%
Jr. High School	1	Asian Pacific	3.3%
Intermediate School	1	Multi-Racial	2.3%
Elementary Schools	3	Black	1.8%
		Hispanic	1.5%
<u>District Enrollment</u>			
Pre-School	131		
Elementary (K-6)	2,935		
Middle (7-8)	955		
High School (9-12)	1,832		
District Total	5,853		



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 \$32.3 million (General Fund only). 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.

In November 2017, voters approved a substitute emergency continuing levy that will begin January 2019. In the first year, the levy generates the same amount as the previous emergency levy (\$7,916,500). Thereafter, it may raise an amount equal to the amount raised in the prior year, plus the amount equal to the value of new construction or real property multiplied by the rate the levy was being charged in the previous year.

Tax Burden on Homeowners

Type	Gross Rate	Effective Rate	Year Approved	Length Approved
Inside-Operating	5.31	5.31		Ongoing
Voted-Operating	23.00	8.53	1976	Continuous
Voted-Operating	3.50	1.66	1977	Continuous
Voted-Operating	8.00	3.87	1985	Continuous
Voted-Operating	3.40	1.74	1988	Continuous
Bond Retirement	1.62	1.62	1995	28
Bond Retirement	3.38	3.38	2004	28
Emergency	6.50	6.50	2017	Continuous
Total Rate	54.71	32.61		

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.

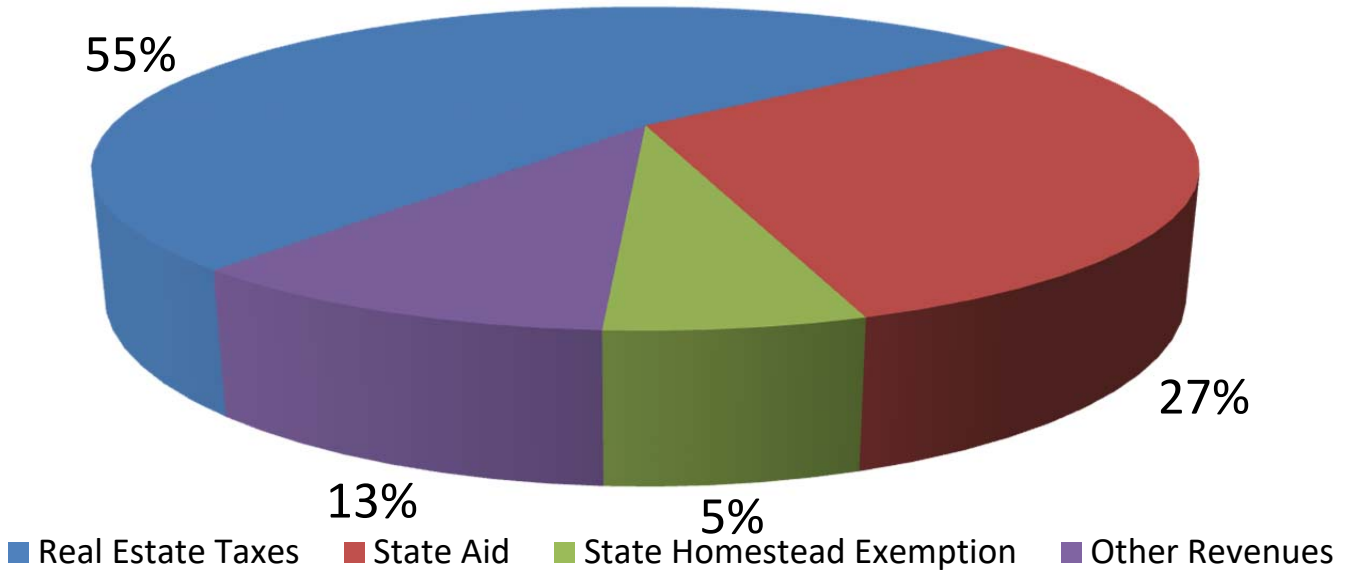


Assessed Values of Property

Collection Year	Residential/ Agricultural and Other Real Estate	Public Utility	Total
2019	\$1,166,792,940	\$122,994,060	\$1,289,787,000
2018	1,007,704,700	109,006,840	1,116,711,540
2017	973,054,020	97,689,820	1,070,743,840
2016	859,121,079	73,092,980	932,214,059
2015	840,645,460	72,531,280	913,176,740

Where does our school district's money come from

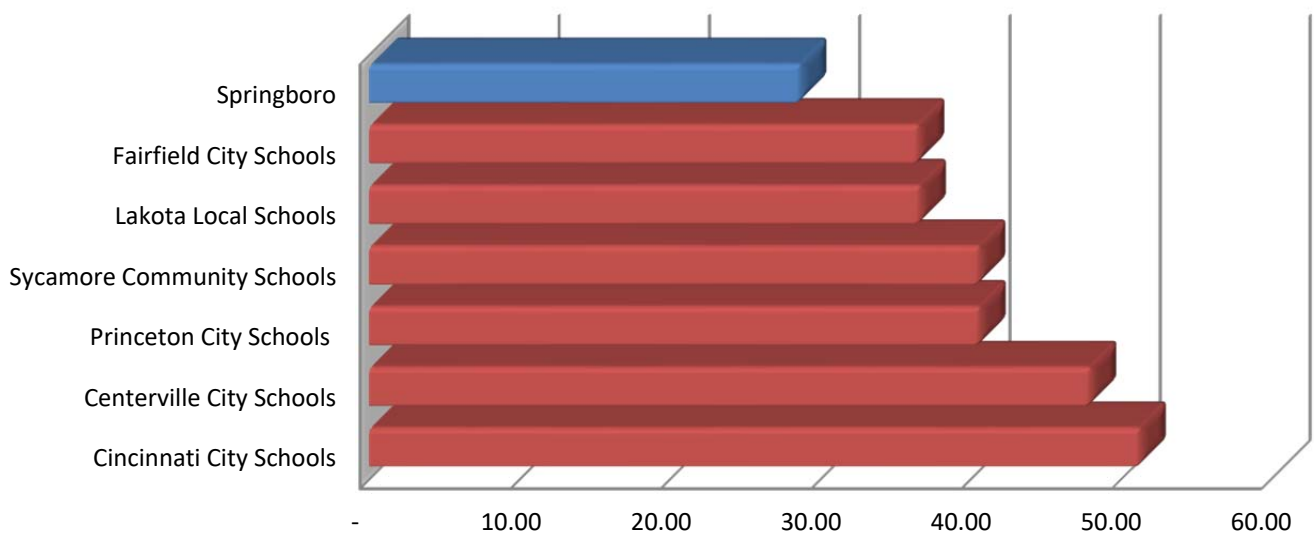
Springboro Community City Schools is very fortunate and appreciative for all the support that it receives from the community. Like all school districts in Ohio the largest source of revenue is property taxes. This is a result of the lack of stable funding support received from the state. An example of this instability is the phasing out of the state reimbursements for Tangible Personal Property Tax, which eliminated millions of dollars in state funding for the school district.



Comparing our taxes to our neighbors

So how does Springboro Community City Schools tax rate compare to other school districts in our area? Below you can see how our school district's tax burden is lower on the community when compared to other school districts in our area.

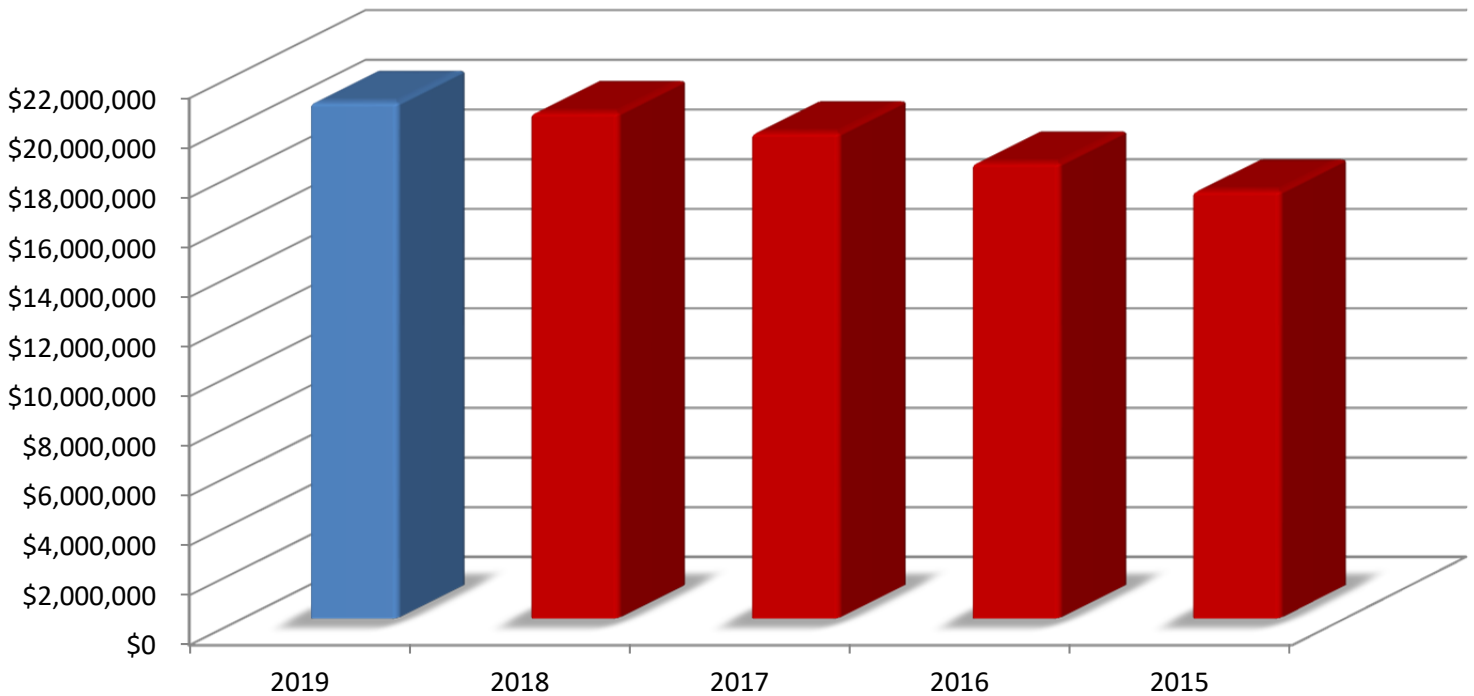
Real Property Millage Rates Comparison by School District



Intergovernmental Revenues

Intergovernmental revenue consists of both State and Federal Support. State and Federal support for the District totaled \$20.7 million (General Fund only), an increase of \$0.4 million from 2018. This is the result of the 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



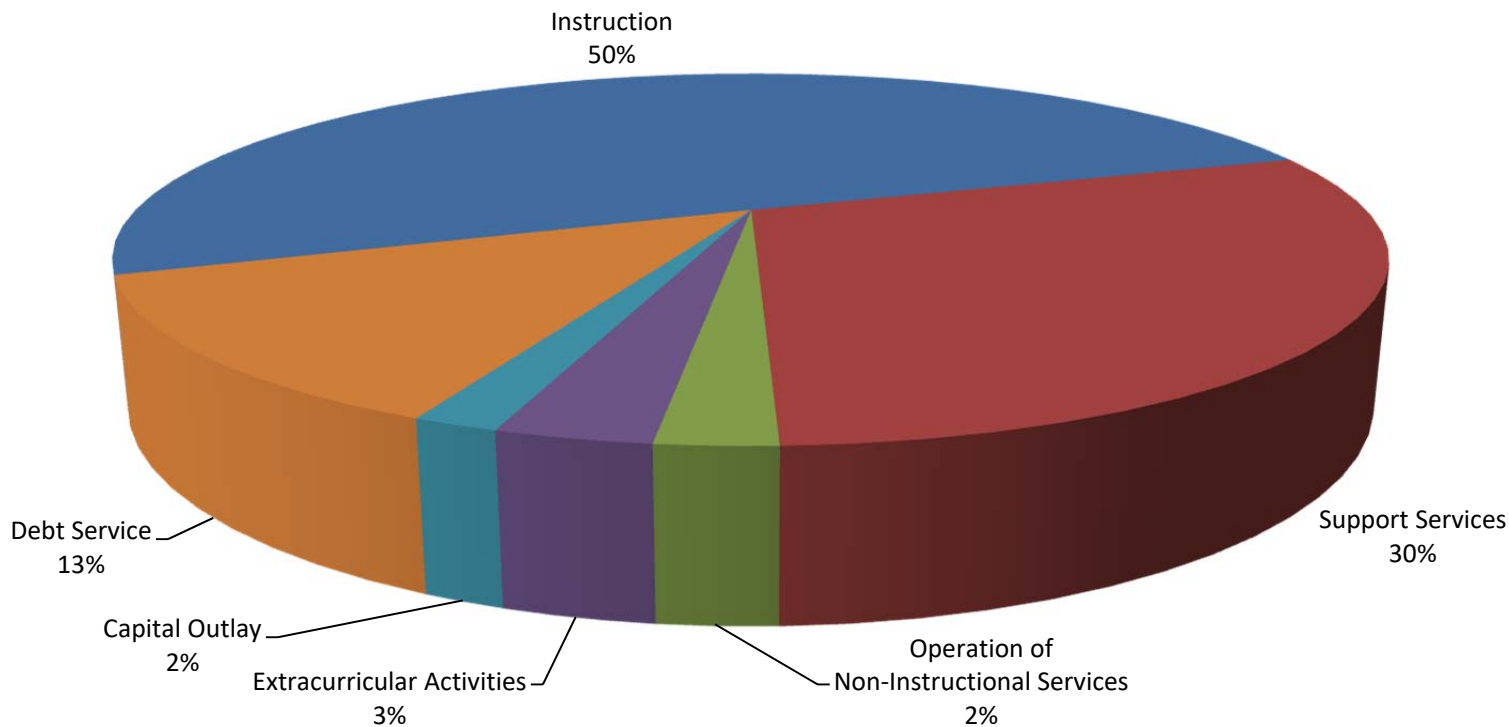
State Sources include different type of aide such as Formula State Aide, Rollback/Homestead Reimbursement, Tangible Tax Reimbursement and Other State Funding. Examples of other state funding includes various state grants, which these state grants are targeted for specific purposes and are intended to 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 (General Fund only) included tuition and fees, charges for services, investment income, extracurricular activities revenues, revenue in lieu of taxes and other miscellaneous revenues. These totaled \$2.8 million in 2018, which is consistent with the prior year(s).

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.

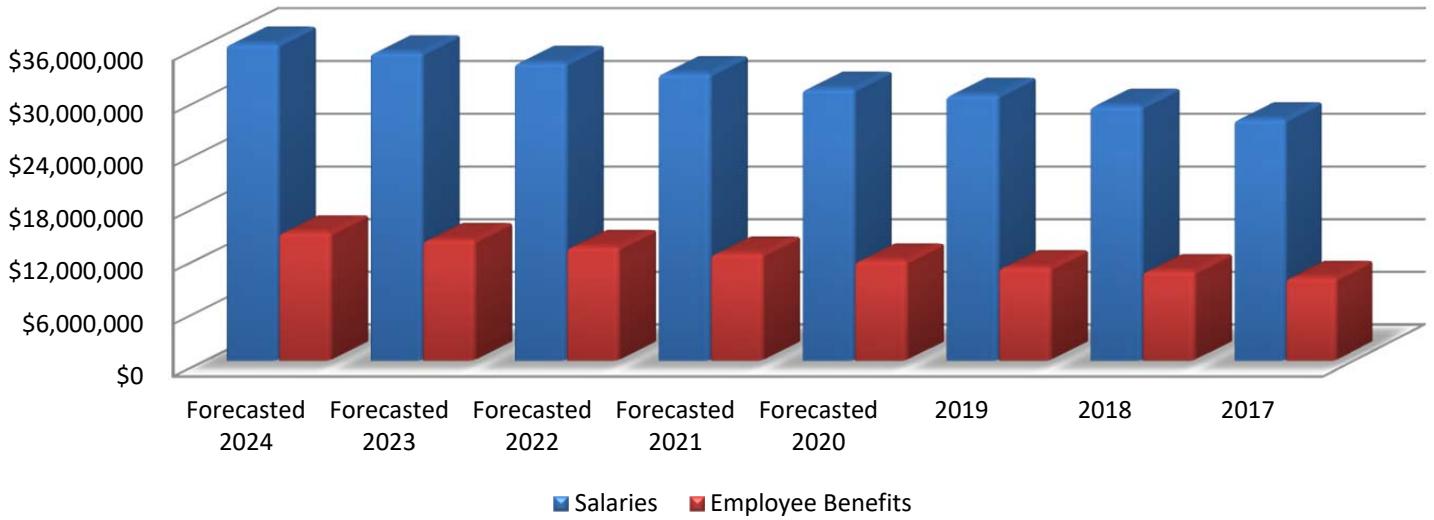
Capital Outlay expenditures are for the purchase, repair, and construction of building and equipment within the District.



Expenditures and Services for the District

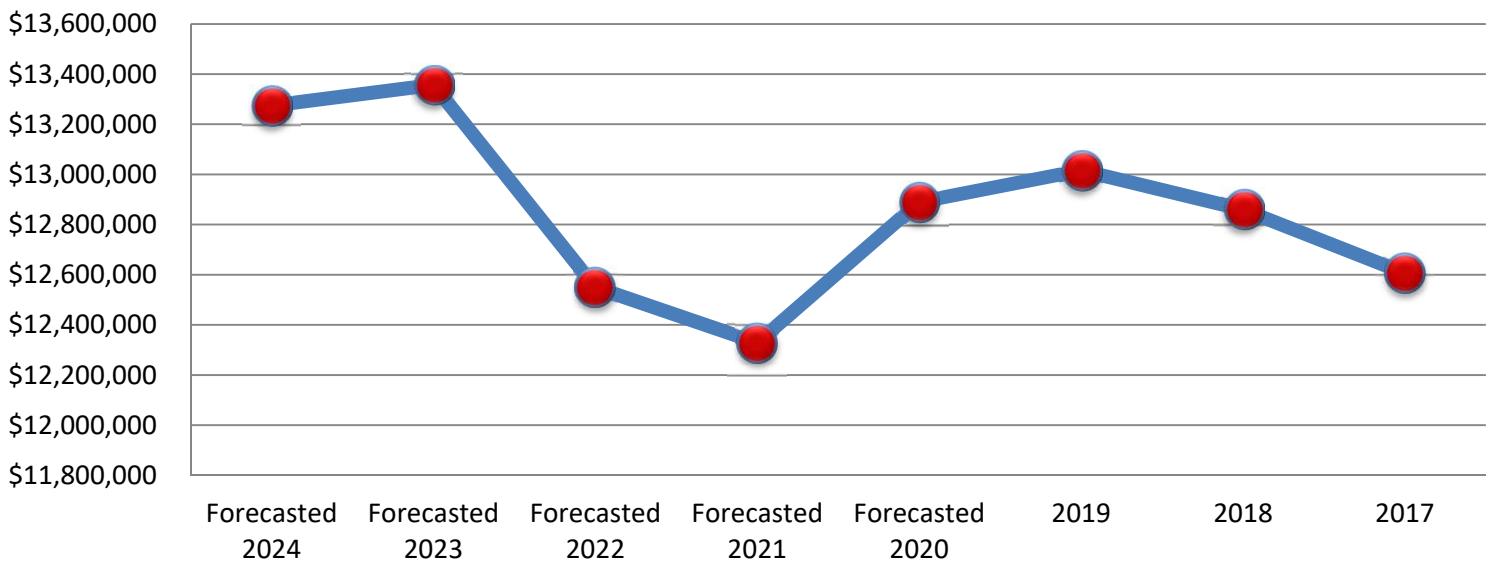
Salaries and Employee Benefits account for the majority of operating expenditures (such as employee health insurance costs and retirement contributions), as is the case with almost all school districts. Since 2017, the total of these two categories has increased over \$2.0 million, mainly the result 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, 2019.

Liabilities and Deferred Inflows

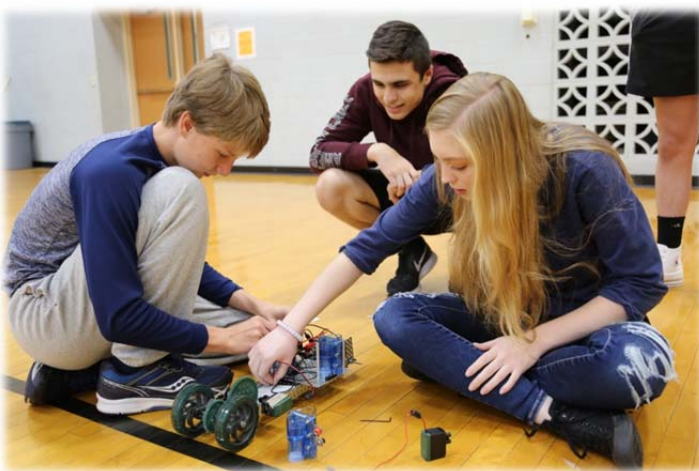
Liabilities are those amounts the District owed to employees, other governments or vendors for items or services that have been provided to the District.

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)	2019	2018	2017	2016	2015
Cash and Investments	\$21,108,563	\$19,832,874	\$17,124,910	\$15,110,197	\$14,847,746
Receivables and Other Assets	38,267,030	36,224,433	35,350,000	34,709,956	32,686,764
Total Assets	\$59,375,593	\$56,057,307	\$52,474,910	\$49,820,153	\$47,534,510
Liabilities	\$6,133,353	\$6,111,193	\$5,992,644	\$6,465,918	\$8,029,886
Deferred Inflows	36,375,471	30,297,977	30,574,643	33,485,217	24,687,282
Total Liabilities and Deferred Inflows	\$42,508,824	\$36,409,170	\$36,567,287	\$39,951,135	\$32,717,168
Assets over Liabilities and Deferred Inflows	\$16,866,769	\$19,648,137	\$15,907,623	\$9,869,018	\$14,817,342



Outstanding Long-Term Debt

During the fiscal year, the District paid \$5.2 million in principal and \$3.2 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.

<u>Long-Term Debt*</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>
2007 School Improvement Refunding Bonds	12/01/32	2.00-2.75%	\$44,290,481
2015 Refunding Bonds	12/01/23	0.50-3.10%	9,035,971
2018 Turf Field	01/01/28	4.11%	319,050
2015 Certificaton of Partcipitation HB264 Bonds	06/01/35	2.00-4.00%	4,252,453
Total Bonds and Loans			57,897,955
Capital Lease Obligations	Various	Various	12,703,950
Total Long-Term Debt			\$70,601,905

*-includes premiums and accreted interest, were applicable

Note - The above information does not include Net Pension/OPEB Liability that were implemented in 2015 and 2018, respectively.

Capital Assets (Property, Plant and Equipment)

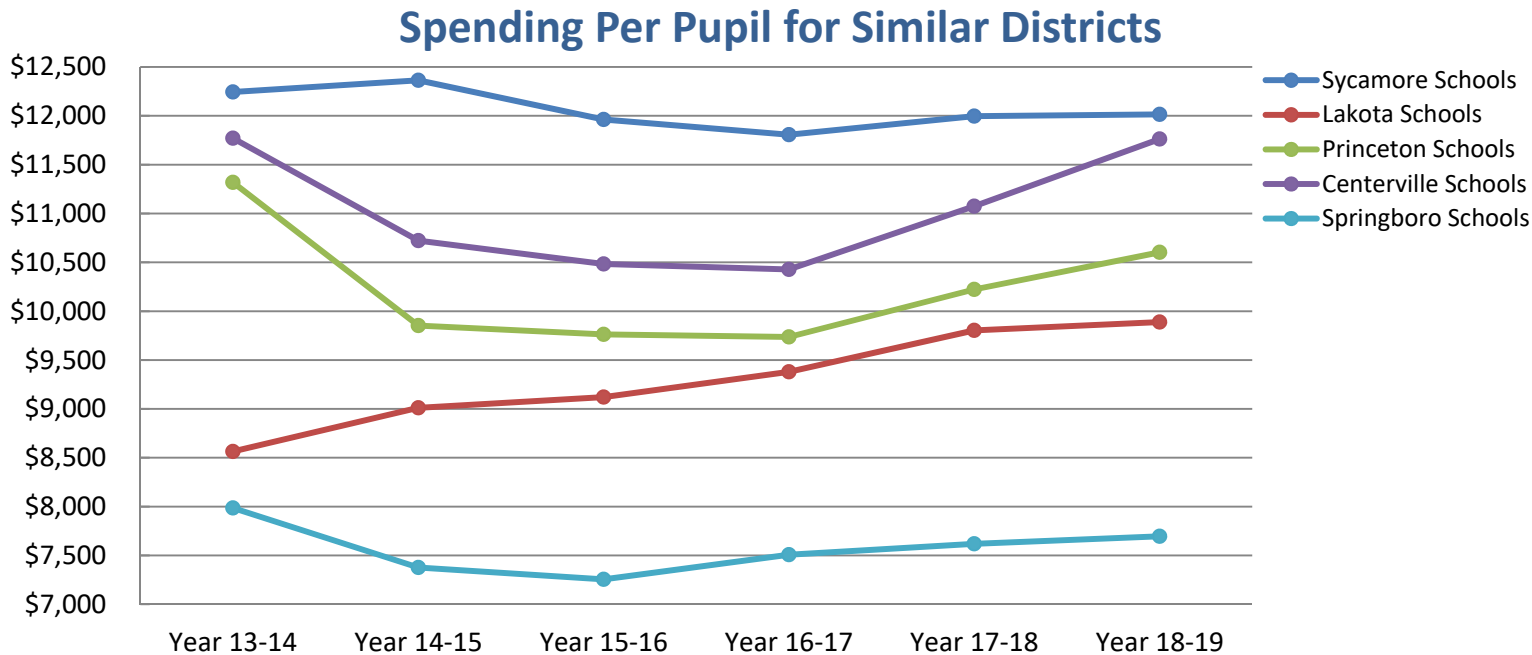
A District's inventory of capital assets often represents its most significant investment of resources. Over time, purchases of land improvements, buildings and improvements, furniture and equipment, and other vehicles can result in the accumulation of (tens of) millions of dollars in property. Capital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

<u>Capital Assets (Property, Plant and Equipment)</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016*</u>	<u>2015</u>
Land	\$1,421,691	\$1,421,691	\$1,421,691	\$1,421,691	\$1,421,691
Construction In Progress	0	332,472	0	0	0
Land Improvements	8,620,428	7,833,082	7,359,909	7,200,890	6,976,694
Buildings and Improvements	103,722,262	103,483,900	102,639,210	104,353,434	104,069,437
Furniture and Equipment	13,683,942	12,790,899	12,207,754	12,007,818	17,716,915
Vehicles	4,953,518	5,777,881	5,269,132	5,164,476	5,393,197
Total Capital Assets	132,401,841	131,639,925	128,897,696	130,148,309	135,577,934
Less: Accumulated Depreciation	(63,082,320)	(60,426,218)	(57,288,415)	(56,525,117)	(58,398,019)
Total Capital Assets , Net	\$69,319,521	\$71,213,707	\$71,609,281	\$73,623,192	\$77,179,915

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

Other Information About the District

Spending Per Pupil 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.



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

Year 2018-2019	Springboro CCSD	Similar Districts	State Average
Graduation Rate*	96.8%	96.5%	85.3%

*-4 year graduation rate used

Year 2018-2019 District Report Card:

Progress-Overall	Grade B
Indicators Met	18 out of 24 - 75.0%
Performance Index	100.4 out of 120 - 83.6%
Classroom Spending	20 out of 46 District's of similar size

Fast Facts About Our District:

- Mission: EPIC (Engage, Prepare, Inspire, Challenge)
- Six schools serving approximately 6,000 students:
 - Clearcreek Elementary: Grades PreK-1
 - Dennis Elementary: Grades 2-5
 - Five Points Elementary: Grades 2-5
 - Springboro Intermediate: Grade 6
 - Springboro Junior High School: Grades 7 and 8
 - Springboro High Schools: Grades 9-12
- Bring Your Own Technology (BYOT) district
- 24 Advanced Placement courses at SHS



Springboro High School ranked 53th in the State of Ohio in U.S. News & World Report



SPRINGBORO SCHOOLS

1685 S. Main St. Springboro, OH 45066 | 937.748.3960 | www.springboro.org

Springboro Schools

Carrie Hester, Interim-Superintendent
Terrah Floyd, Treasurer and CFO

Board of Education

Jamie Belanger, President
Dan Gudz, Vice-President
Charles Anderson, Board Member
Lisa Babb, Board Member
Dave Stuckey, 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 937-748-3953
Springboro High School 937-748-3950

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