

Springboro Community City Schools

COMPREHENSIVE ANNUAL FINANCIAL REPORT



Fiscal Year Ended June 30, 2012

1685 South Main Street
Springboro, Ohio 45066



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SPRINGBORO COMMUNITY CITY SCHOOLS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2012



Issued by the Office of the Treasurer
Tracy Jarvis, CFO
1685 South Main Street, Springboro, Ohio 45066
937-748-3960
www.springboro.org

Springboro Community City School District
Board of Education
Fiscal Year 2012



Scott Anderson
President



Dr. Kelly Kohls
Vice President



Jim Rigano



Don Miller



Dave Petroni



Gene Lolli
Superintendent



Tracy A. Jarvis
Treasurer/CFO

SPRINGBORO COMMUNITY CITY SCHOOL DISTRICT



INTRODUCTORY SECTION

Springboro Community City School District, Ohio
Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012

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INTRODUCTORY SECTION

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1685 S. Main Street
Springboro, Ohio 45066
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(937) 748-3956 fax

The Mission Of
Springboro Community
City Schools, A Pioneer In
World Class Education
With Small Town Pride,
Is To Motivate And Empower
All Students To Become
Life Long Learners,
Productive Citizens
And Future Leaders.

January 17, 2013

Board of Education Members and Citizens
Springboro Community City School District

Dear Board Members and Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Springboro Community City School District (District) for the fiscal year ended June 30, 2012 is hereby submitted. This report was prepared by the Treasurer's Office, and includes the Independent Auditors' Report from Uhrig & Associates, CPAs. Responsibility for both the accuracy of the data presented and the completeness and fairness of this presentation, including financial statements, supporting schedules and statistical tables, lies with the management of the District, specifically the Treasurer's Office. The management of the District represents that the accounting system and the budgetary and internal accounting controls of the District provide reasonable assurance that the District's assets are safeguarded against material loss and that financial records are reliable for preparing financial statements and maintaining accountability for assets. All disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the Independent Auditors' Report.

This report will be available on the District's website. The Internet address is <http://www.Springboro.org>.

The District is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The single audit report is included within a separate report.

Reporting Entity

The District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity" and GASB Statement No. 39 which is an amendment to GASB Statement No. 14 and provides additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationships with the primary government. In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments and organizations making up the District (the primary government) and its potential component units.

GENERAL INFORMATION CONCERNING THE BOARD AND THE SCHOOL DISTRICT ORGANIZATION

The Board and Administration

The Board of Education of the Springboro Community City School District (the Board) is a body both politic and corporate charged with the responsibility of managing and controlling affairs of the District and is, together with the District, governed by the general laws of the State (Ohio Revised Code). The Board is comprised of five members who are elected for overlapping four-year terms. The Board members as of June 30, 2012 were:

	<u>Date Current Term Commenced</u>	<u>Present Term Expires</u>
Scott Anderson, President	01/01/10	12/31/13
Kelly Kohls, Vice-President	01/01/10	12/31/13
Don Miller	01/01/10	12/31/13
David Petroni	01/01/12	12/31/15
Jim Rigano	01/01/12	12/31/15

The Superintendent of Schools (Superintendent), appointed by the Board for a maximum term of five years, is the executive officer of the District and has the responsibility for directing and assigning teachers and other employees, assigning the pupils to the proper schools and grades, and performing other such duties as determined by the Board.

Mr. Gene Lolli was appointed Interim Superintendent on June 7, 2010. On November 18, 2010, Mr. Lolli was appointed Superintendent. Mr. Lolli resigned effective July 31, 2012. Mr. Todd Petrey was named Superintendent of the Springboro Community Schools in August of 2012. In his 17th year in the field of education, Mr. Petrey has been a Math and Science Teacher, Assistant Principal, Principal, and Superintendent. Mr. Petrey received his undergraduate degree in Education from Miami University in 1996, and a Master's Degree in Education Administration and Principal's Certification from the University of Dayton, and his Superintendent's licensure from Xavier University.

The Treasurer is the chief financial officer of the District and is directly responsible to the Board for all financial operations, investments, custody of all District funds and assets, and serves as Secretary to the Board. The treasurer is appointed by the Board for a maximum of five years. On February 1, 2011, the Board hired Tracy A. Jarvis as interim Treasurer. Mrs. Jarvis was appointed Treasurer on August, 1, 2011. In her 20th year in the field of school business, Mrs. Jarvis has served as the Treasurer/CFO at rural, urban and suburban schools. Mrs. Jarvis received her Bachelor of Science in Mathematics from Miami University in 1993, and Master of Business Administration from Wright State University in 1998.

The District and Its Facilities

This report of the District includes all funds, organizations, activities and functions of the District. The District presently does not have any component units for which the District is financially accountable or that are fiscally dependent on the District. The District covers approximately 45 square miles.

During 2012, the District's average daily membership was 5,789. Of the total membership, 472 students reported to one kindergarten school, 2,328 students reported to four 1-5 schools, 505 students reported to a sixth grade only school, 874 students reported to one junior high, and 1,610 students reported to one high school.

The School District also operates two administrative facilities consisting of the Board of Education office located behind the High School and a Transportation Facility located next to the Dennis Elementary complex.

GENERAL INFORMATION CONCERNING THE BOARD AND THE SCHOOL DISTRICT ORGANIZATION (Continued)

Employee Relations

The District currently has approximately 550 employees. During fiscal 2012, the District paid (determined on a cash basis) from its General Fund approximately \$24.8 million in salaries and wages and \$9.0 million for fringe benefits and other labor-related costs such as employer retirement contributions, workers' compensation coverage, unemployment compensation, life insurance and medical and dental insurance premiums.

Of the current full-time employees, 302 are professionals serving as teachers, all of whom have at least a bachelor's degree. The 2011-2012 starting salary for a teacher with a bachelor's degree is \$34,563; the maximum teacher salary (for a teacher with a Ph.D. degree and 30 years' experience) is \$78,807.

The District's teachers and educational specialists are represented for collective bargaining purposes by the Springboro Education Association (SEA). The District has a collective bargaining agreement with the SEA that is set to expire on June 30, 2013.

The Springboro Classified Employees Association (SCEA), a division of the Ohio Association of Public School Employees (OAPSE), represents classified employees (secretarial-clerical, custodial, maintenance, transportation and food services staff) of the District for collective bargaining purposes. The OAPSE contract is set to expire June 30, 2013.

In the judgment of the Board, labor relations with its employees are good.

Intergovernmental Relations

The District maintains a good working relationship with the City of Springboro, Clearcreek Township and Warren County. City of Springboro officials, Township officials and District Administrators are communicating effectively to resolve tax abatement issues, use of surplus property and other public policy matters. According to information obtained from the US Census Bureau, the population for Springboro Community School District is estimated at 29,525 for 2010 (the latest data available).

ECONOMIC CONDITION AND OUTLOOK

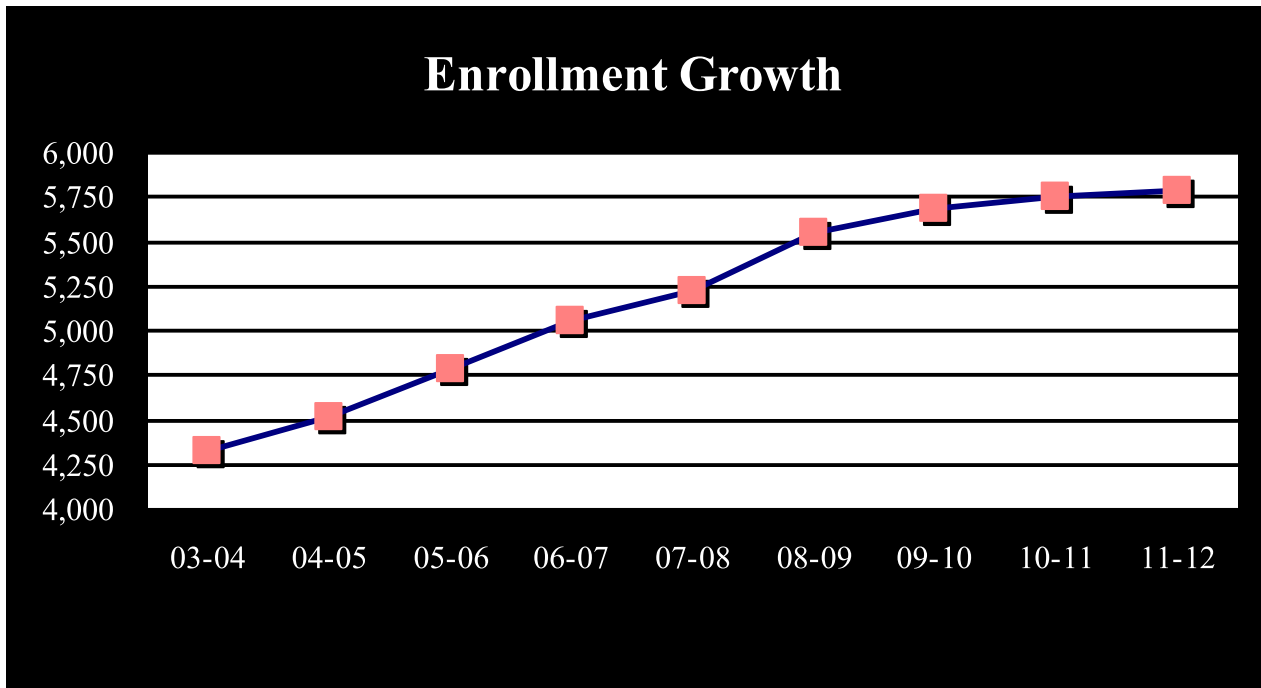
Local Economy

The Springboro Community's largest employer is the Springboro Community City School District. Springboro is a commuter community and Clearcreek Township is still relatively undeveloped. The City Planners have a strategic plan in place that calls for the maintaining of a "small town" atmosphere. Limited industrial growth is an integral part of the City's strategic plan. This limitation on industrial growth increases the districts reliance on local property taxes placed upon the homeowners to fund the operations of the school.

The District, along with many other public school systems in the state, continues to face a number of challenges in the future, since the primary source of its funds is property tax revenue. Ohio law limits the growth in real estate tax revenues by reducing millage as assessed values increase following re-appraisals. Consequently, revenues generated from each levy remain relatively constant. As a result, the District must periodically seek additional funding from its taxpaying constituents. Statewide, voters have proved reluctant to increase their property taxes. The District's management is aware of this fact and is constantly looking for alternate sources of income, as well as searching for ways to provide a more efficient means of doing business while at the same time continuing to provide excellent educational services.

The City's average annual unemployment rates (7.6%) for 2011 continued to be below the State of Ohio (8.6%) and is lower than the United States (8.9%) rate. Springboro is located in the southwest part of the state, approximately 15 miles south of Dayton and 30 miles north of Cincinnati. Interstate I-75 is conveniently located adjacent to the District providing easy access to the Dayton and Cincinnati markets.

The City’s strategic plan, easy access to I-75 and its close proximity to Cincinnati and Dayton have been and are the primary factors causing Springboro Schools to be one of the fastest growing districts in Southwest Ohio. The student enrollment has grown by nearly 2.5 times in the last 20 years.



Financial Outlook and Financial Planning – District

With the passage of a 10 mill emergency levy in November of 2005, the District’s financial picture is positive through 2014. Fiscal year 2014 is projected to end with General Fund cash balances of \$1.6 million. The forecast for fiscal year 2015 reveals an anticipated ending cash balance of -\$8.2 million. The Board realizes that it will be required to renew the emergency levy in 2013.

CURRENT INITIATIVES

Major Initiatives and events –fiscal year 2012

Curriculum:

Common Core implementation emphasis is K-12 in the areas of Math & Language Arts.

District technology plans are focused on meeting Common Core and College and Career readiness. This includes PARCC Assessments (as well as mobile classrooms).

The Ohio Teacher Evaluation System is being rolled out to all staff members and piloted during this school year.

The Ohio Principals Evaluation System is being implemented for all district administrators.

State Testing:

The District again received the highest designation, “Excellent with Distinction”, as our academic rating from the State of Ohio. The District received the highest ever Performance Index score of 107.2.

Graduation:

We continue to graduate over 98% of all students in the class of 2012 earning over three million dollars in college scholarships. 34% of graduating students received some money.

FINANCIAL INFORMATION

Financial Condition

This is the tenth year the District has prepared financial statements following GASB 34, "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments." It should be noted that the District did prepare such statements for fiscal years 2009 and 2010 on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Basic financial statements for reporting on the District's financial activities are as follows:

Government-wide financial statements: these statements are prepared on an accrual basis of accounting that is similar to the basis of accounting followed by many businesses.

Fund financial statements: these statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the Governmental Activities accrual information presented in the Government-wide financial statements. Fiduciary funds use the accrual basis of accounting.

As part of this reporting model, management is responsible for preparing a Management Discussion and Analysis of the District. This discussion is presented in the financial section of this report and provides an assessment of the District's finances for 2012.

Internal Controls

The management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management.

Budgeting, Tax Levy and Appropriations Procedures

The Ohio Revised Code contains detailed provisions regarding the District's budgeting, tax levy and appropriation procedures. These procedures involve review by County officials at several steps. District budgeting for a fiscal year formally begins with the preparation of a tax budget. After a public hearing, this budget is adopted by the Board 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 to the County Budget Commission, comprised of the County Auditor, County Treasurer and County Prosecuting Attorney. Upon approval of the tax budget, 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.

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 monies in excess of the amounts set forth in the latest of those official estimates. The District's legal level of control for such measures is the fund level.

FINANCIAL INFORMATION (Continued)

Financial Reports and Auditing

The District maintains its accounts, appropriations and other fiscal records in accordance with the procedures established and prescribed by the State of Ohio Auditor of State. Law charges the Auditor of State with the responsibility of auditing the accounts and records of each taxing subdivision and most public agencies and institutions. District receipts and expenditures are maintained on a cash basis, pursuant to accounting procedures prescribed by the Auditor of State which is generally applicable to all Ohio school districts. Beginning with Fiscal Year 1988, the records of these cash receipts and expenditures have been converted annually for report purposes to a basis of accounting in accordance with accounting principles generally accepted in the United States of America for governments as prescribed by the Governmental Accounting Standards Board. It should be noted that for Fiscal Years 2009 and 2010, the District reported on the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Pension Plans

Present and retired employees of the District are covered under two statewide public retirement (including disability retirement) systems. The State Teachers Retirement System (STRS) is applicable to all teachers, principals, supervisors and administrators employed by the District who are required to hold a certificate issued by the State Department of Education pursuant to the Code. All other employees are covered by the School Employees Retirement System (SERS). Pursuant to federal law, all 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 percent of the employee's wages subject to the FICA wage limit. Both STRS and SERS were created by and operate pursuant to Ohio law. The General Assembly could determine to amend the format of either system and could revise rates or methods of contribution to be made by the District into the pension funds and revise benefits or benefit levels.

Employee Health Care Benefits

The District contracts with Anthem to provide a fully insured PPO for the district's employees. Employees currently pay 15% of the monthly premium while the district pays the remaining 85%. Total premiums in 2012 were \$416 for a single plan and \$1,150 for Family. Premiums have grown by an average of 8.2% per year over the last 3 years. Premiums are anticipated to increase by 10% per year over the next few years.

OTHER INFORMATION

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Springboro Community City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

OTHER INFORMATION (Continued)

ASBO Certificate of Excellence

The School District also received the Association of School Business Officials International (ASBO) Certificate of Excellence on Financial Reporting award for the fiscal year ended June 30, 2011. This award certifies that the Comprehensive Annual Financial Report conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials. Receiving this award is recognition that a school system has met the highest standards of excellence in school financial reporting. It is the School District's belief that the current report continues to conform to the standards set by ASBO and it will be submitted for review to determine its eligibility for a certificate.

Springboro Community City School District staff members are proud of the fact that the GFOA and ASBO have awarded these certificates for the Comprehensive Annual Financial Report prepared by the School District.

INDEPENDENT AUDIT

The Independent Accounting firm of Uhrig & Associates, CPAs, conducted the District's 2012 fiscal year audit. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. The auditor's report on the basic financial statements is included in the financial section of this report.

ACKNOWLEDGEMENTS

The preparation and publication of this Comprehensive Annual Financial Report on a timely basis could not have been possible without the cooperation of the entire Treasurer's Department. A special note of appreciation is extended to Balestra, Harr & Scherer Consulting, for their aid in preparing this report.

Finally, this report would not have been possible without the continued support of the Board of Education who values quality financial information, which helps to make quality decisions. Without their leadership and commitment to excellence this report would not be possible.

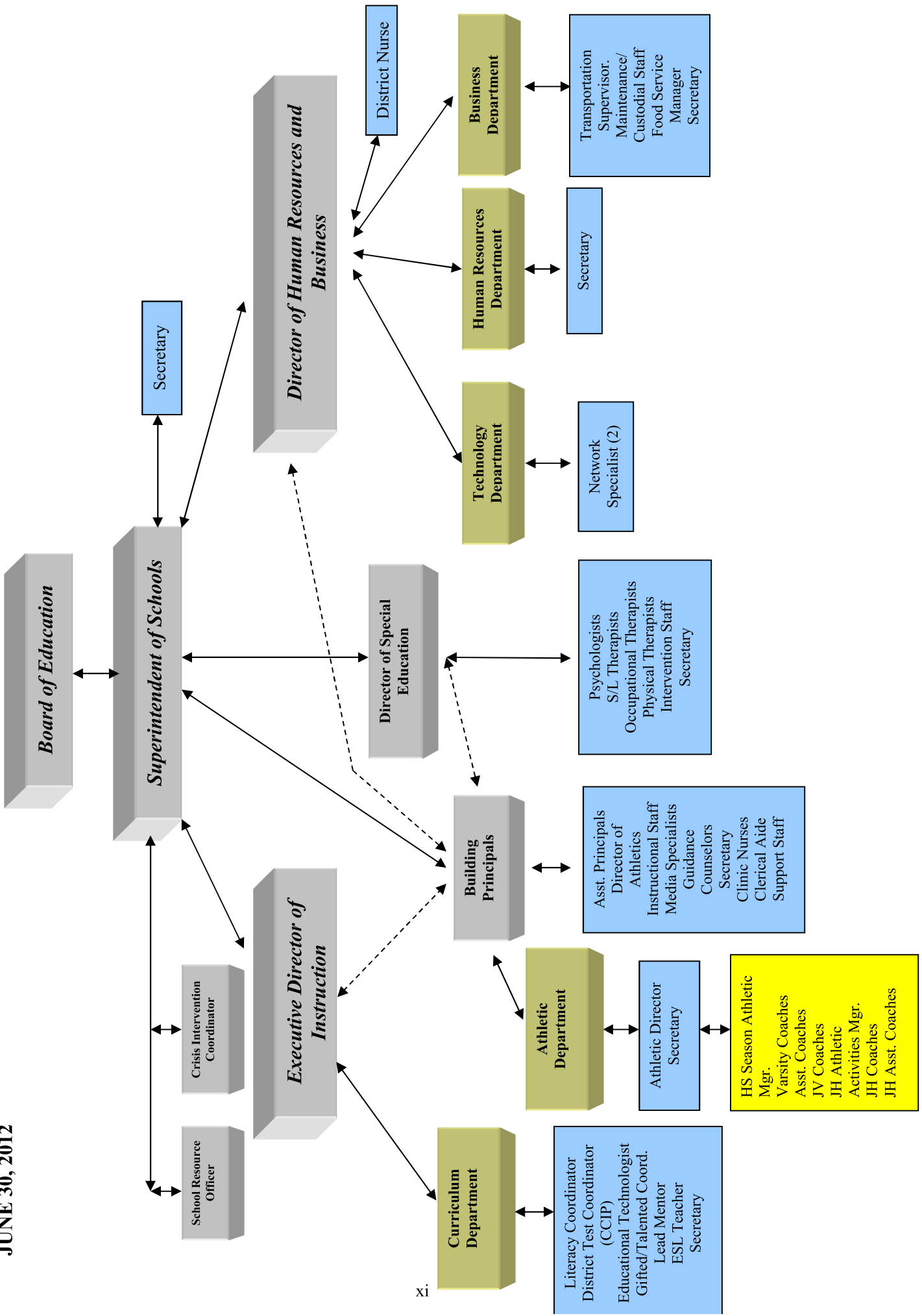


Todd Petrey
Superintendent

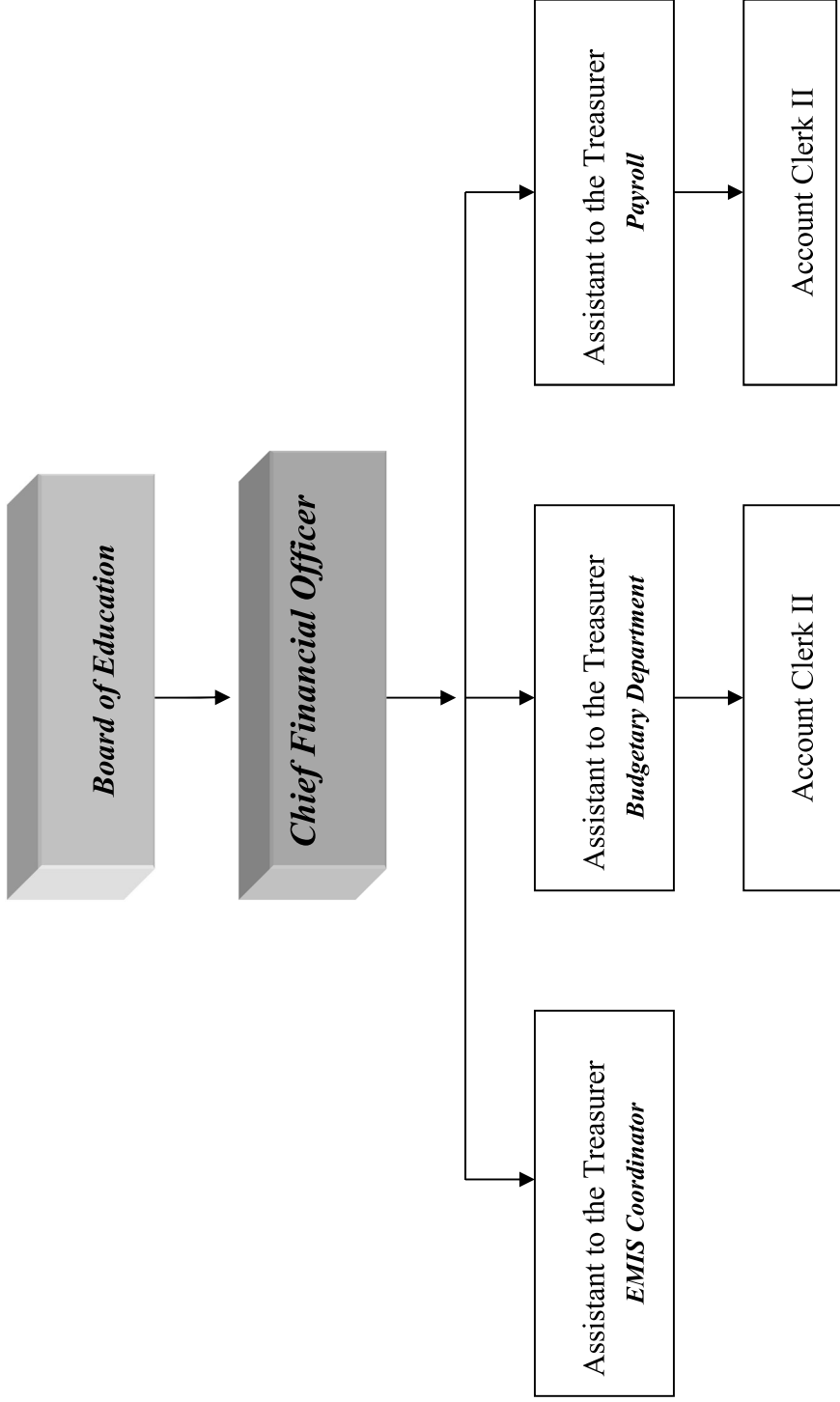


Tracy A. Jarvis
Treasurer/Chief Financial Officer

**ORGANIZATION CHART
 SPRINGBORO COMMUNITY CITY SCHOOL DISTRICT
 JUNE 30, 2012**



**ORGANIZATION CHART
SPRINGBORO COMMUNITY CITY SCHOOL DISTRICT
JUNE 30, 2012**



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Springboro Community City
Schools, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Moirice
President

Jeffrey R. Emer
Executive Director

Association of School Business Officials International



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

Springboro Community City Schools

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2011*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading 'Brian L. Mee'.

Brian L. Mee, SFO, RSBA
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE, RSBA
Executive Director

SPRINGBORO COMMUNITY CITY SCHOOL DISTRICT



FINANCIAL SECTION

Independent Auditor's Report

Board of Education
Springboro Community City School District
1685 South Main Street
Springboro, OH 45066

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Springboro Community City School District (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 *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2012, and the respective changes in financial position and the respective 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 a report dated January 17, 2013 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* and should be read in conjunction with this report when considering the results of our audit.

Board of Education
Springboro Community City School District
Independent Auditor's Report

Accounting principles generally accepted in the United States of America require the 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. The introductory section, combining and individual fund statements and schedules, and the statistical section information provide additional analysis and are 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 relate 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.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC.

January 17, 2013

Springboro Community City School District, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2012

Unaudited

The discussion and analysis of the Springboro Community City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year 2012 are as follows:

- Net assets of governmental activities increased \$1,893,388.
- General revenues accounted for \$47,818,605 in revenue or 89% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$5,665,845 or 11% of total revenues of \$53,484,450.
- The School District had \$51,591,062 in expenses related to governmental activities; only \$5,665,845 of these expenses were offset by program specific charges for services and sales and grants and contributions.
- All governmental funds had total revenues of \$53,093,701 and expenditures of \$53,372,068.

USING THIS ANNUAL FINANCIAL REPORT

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

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column.

Reporting the School District as a Whole

Statement of Net Assets and Statement of Activities

While this document contains information about the large number of funds used by the School District to provide programs and activities for students, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2012?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Springboro Community City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

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

- In the Statement of Net Assets and the Statement of Activities, most of the School District's programs and services are reported as governmental activities including instruction, support services, operation of non instructional services, and extracurricular activities. However, the School District's Fiduciary Funds are not included within these two statements.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 8. Fund financial statements provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund and the Bond Retirement Debt Service Fund.

Governmental Funds Most of the School 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 fiscal year end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. The School District's fiduciary funds are agency funds which are used to maintain financial activity of the School District's Student Managed Activities, and private purpose trust funds which are used to maintain the financial activity of the School District's Scholarship Funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide financial statements.

Springboro Community City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

THE SCHOOL DISTRICT AS A WHOLE

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2012 compared to 2011.

Table 1
Net Assets

	Governmental Activities 2012	Governmental Activities 2011
Assets		
Current and Other Assets	\$51,253,251	\$48,558,489
Capital Assets, Net	82,570,371	85,203,761
Total Assets	133,823,622	133,762,250
Liabilities		
Long-term Liabilities	92,098,455	96,355,320
Current and Other Liabilities	38,303,548	35,878,699
Total Liabilities	130,402,003	132,234,019
Net Assets		
Invested in Capital Assets, Net of Debt	(6,558,009)	(5,455,821)
Restricted	5,624,760	5,615,048
Unrestricted	4,354,868	1,369,004
Total Net Assets	\$3,421,619	\$1,528,231

The changes in net assets are primarily due to the following factors. Current and other assets have increased primarily due to increases of cash of approximately \$1.39 million and taxes receivable of approximately \$2.16 million. Equity in pooled cash and cash equivalents increased due primarily to revenues exceeding expenditures for the current fiscal year. Taxes receivable increased as a result of increased estimates by the School District due to some economic growth within the School District. Capital assets, net have decreased approximately \$2.63 million primarily due to depreciation expense of approximately \$4 million which was partially offset by additions of \$1.36 million. Current and other liabilities have increased primarily due to increases in deferred revenue of \$2.73 million which related to the increase in taxes receivable. Long term liabilities decreased approximately \$4.26 million primarily due to payments on long term debt.

Springboro Community City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Table 2 shows the changes in net assets for the fiscal year ended June 30, 2012 as compared to 2011.

Table 2
Changes in Net Assets

	Governmental Activities <u>2012</u>	Governmental Activities <u>2011</u>
Revenues		
Program Revenues		
Charges for Services and Sales	\$3,589,407	\$3,587,103
Operating Grants and Contributions	2,076,438	2,378,029
Total Program Revenues	<u>5,665,845</u>	<u>5,965,132</u>
General Revenues		
Property Taxes	32,524,348	33,099,217
Grants, Entitlements and Contributions Not Restricted	14,575,481	15,227,204
Investment Earnings	39,049	11,867
Miscellaneous	679,727	909,063
Total General Revenues	<u>47,818,605</u>	<u>49,247,351</u>
Total Revenues	<u>53,484,450</u>	<u>55,212,483</u>
Program Expenses		
Instruction:		
Regular	22,006,369	23,526,860
Special	4,045,239	4,806,728
Vocational	299	86,256
Other	636,380	471,099
Support Services:		
Pupils	2,320,559	3,087,792
Instructional Staff	3,397,699	3,298,065
Board of Education	213,068	172,409
Administration	3,262,221	3,008,089
Fiscal	915,344	980,970
Business	252,618	245,454
Operation and Maintenance of Plant	4,842,480	5,047,273
Pupil Transportation	2,857,030	3,228,752
Central	250,137	230,242
Operation of Non-Instructional Services	1,297,250	1,387,659
Extracurricular Activities	1,305,156	1,188,838
Interest and Fiscal Charges	3,989,213	5,000,270
Total Expenses	<u>51,591,062</u>	<u>55,766,756</u>
Increase (Decrease) in Net Assets	1,893,388	(54,273)
Net Assets at Beginning of Year	<u>1,528,231</u>	<u>2,082,504</u>
Net Assets at End of Year	<u>\$3,421,619</u>	<u>\$1,528,231</u>

Springboro Community City School District, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2012

Unaudited

Governmental Activities

Charges for services and sales comprised 6.7 percent of revenue for governmental activities, while operating grants and contributions comprised 3.9 percent of revenue for governmental activities of the School District for fiscal year 2012. Property tax revenue comprised 60.8 percent of revenue for governmental activities. Grants and Entitlements, not restricted for specific programs, comprised 27.3 percent of revenue for governmental activities. Property tax revenue decreased due to less amounts available for advances as compared to the previous year. Grants, entitlements, and contributions not restricted for specific programs decreased due to the phase out of personal property tax reimbursements and decreases in foundation receipts. Operating grants and contributions decreased as a result of the loss of ARRA programs.

As indicated by governmental program expenses, instruction is emphasized. Regular Instruction comprised 42.7 percent of governmental program expenses. Regular instruction, special instruction, pupil support services, and operation and maintenance decreased due to the loss of ARRA programs and the School District utilizing Education Jobs Program monies to pay salaries during 2012 in addition to tighter fiscal controls. Pupil Transportation expenses have decreased due to the School District implementing a more efficient bus routing system.

The Statement of Activities shows the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of those services supported by tax revenue and unrestricted state entitlements .

Table 3
Governmental Activities

	<u>Total Cost of Services 2012</u>	<u>Net Cost of Services 2012</u>	<u>Total Cost of Services 2011</u>	<u>Net Cost of Services 2011</u>
Program Expenses				
Instruction:				
Regular	\$22,006,369	\$20,643,226	\$23,526,860	\$22,426,467
Special	4,045,239	3,501,205	4,806,728	4,206,991
Vocational	299	284	86,256	81,915
Other	636,380	604,333	471,099	426,011
Support Services:				
Pupils	2,320,559	2,084,364	3,087,792	2,799,096
Instructional Staff	3,397,699	3,168,036	3,298,065	3,055,773
Board of Education	213,068	202,351	172,409	163,733
Administration	3,262,221	3,054,676	3,008,089	2,823,778
Fiscal	915,344	872,178	980,970	936,153
Business	252,618	239,976	245,454	220,756
Operation and Maintenance of Plant	4,842,480	4,646,074	5,047,273	4,359,620
Pupil Transportation	2,857,030	2,623,977	3,228,752	2,958,365
Central	250,137	237,614	230,242	215,896
Operation of Non-Instructional Services	1,297,250	(603,053)	1,387,659	(482,478)
Extracurricular Activities	1,305,156	701,051	1,188,838	650,538
Interest and Fiscal Charges	3,989,213	3,948,925	5,000,270	4,959,010
Total	<u>\$51,591,062</u>	<u>\$45,925,217</u>	<u>\$55,766,756</u>	<u>\$49,801,624</u>

Springboro Community City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

THE SCHOOL DISTRICT FUNDS

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The School District has two major funds; the General Fund and the Bond Retirement. The General Fund had revenues in the amount of \$43,585,585, and expenditures in the amount of \$42,605,436. The General Fund's balance increased \$980,149, which was a much smaller increase than the prior year. This change in fund balance is due primarily to a decrease in expenditures due to tighter fiscal controls. Revenues also decreased at a higher rate due to revenues available as an advance and the phase out of the personal property tax reimbursement. The Bond Retirement Fund had \$6,020,428 in revenues and \$6,698,005 in expenditures resulting in a \$677,577 decrease in fund balance, which resulted from a decrease in revenues from amounts available as an advance and the phase out of the personal property tax reimbursement.

General Fund Budgeting Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of fiscal year 2012, the School District amended its General Fund budget.

For the General Fund, original budget basis revenue was \$40,686,000, below final estimates of \$42,791,594. Of this \$2,105,594 difference, most was due to more property tax and intergovernmental revenues being budgeted. Original appropriations were \$1,746,104 more than final budgeted appropriations due to conservative budgeting by the School District. The School District's ending unobligated General Fund balance was \$9,541,054.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2012, the School District had \$82,570,371 invested in land and land improvements, construction in progress, buildings and improvements, furniture and equipment, vehicles, and books. Table 4 shows fiscal year 2012 balances compared to 2011.

Table 4
 Capital Assets
 (Net of Depreciation)

	Governmental Activities	
	2012	2011
Land & Land Improvements	\$4,655,264	\$4,694,628
Construction in Progress	588,940	-
Buildings & Improvements	73,432,943	75,913,799
Furniture and Equipment	3,423,014	3,814,083
Vehicles	400,745	572,080
Books	69,465	209,171
Totals	\$82,570,371	\$85,203,761

The change in capital assets is due to current year additions, deletions, and current year depreciation. For additional information on capital assets, see Note 7 to the basic financial statements.

Springboro Community City School District, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2012

Unaudited

Debt

At June 30, 2012, the School District had general obligation bonds outstanding of \$74,577,143. The bonds were issued for school construction. The District also had loans outstanding and capital leases payable of \$14,765,557 issued for various capital acquisition purposes. For additional information regarding debt, see Note 12 to the basic financial statements.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and 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 any questions about this report or need additional financial information, contact Tracy Jarvis, CFO, at Springboro Community City School District, 1685 South Main Street, Springboro, Ohio 45066.



Basic Financial Statements



Springboro Community City School District, Ohio
Statement of Net Assets
June 30, 2012

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 15,411,064
Accrued Interest Receivable	2,453
Accounts Receivable	26,554
Intergovernmental Receivable	183,107
Property Taxes Receivable	34,491,713
Restricted Equity in Pooled Cash and Cash Equivalents	96,355
Restricted Cash and Cash Equivalents with Escrow Agents	398,066
Deferred Issuance Costs	643,939
Nondepreciable Capital Assets	2,010,631
Depreciable Capital Assets, Net	80,559,740
 Total Assets	 133,823,622
 Liabilities:	
Accounts Payable	603,216
Accrued Wages and Benefits Payable	4,511,547
Accrued Interest Payable	274,835
Unearned Revenue	31,730,173
Intergovernmental Payable	1,183,777
Long-Term Liabilities:	
Due Within One Year	4,655,437
Due In More Than One Year	87,443,018
 Total Liabilities	 130,402,003
 Net Assets:	
Invested in Capital Assets, Net of Related Debt	(6,558,009)
Restricted for:	
Capital Projects	615,430
Debt Service	4,339,160
Food Service	294,960
District Managed Activities	150,807
Title VI-B	100,863
Other Purposes	123,540
Unrestricted	4,354,868
 Total Net Assets	 \$ 3,421,619

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

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

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction:				
Regular	\$ 22,006,369	\$ 986,326	\$ 376,817	\$ (20,643,226)
Special	4,045,239	175,620	368,414	(3,501,205)
Vocational	299	15	-	(284)
Other	636,380	32,047	-	(604,333)
Support Services:				
Pupils	2,320,559	105,828	130,367	(2,084,364)
Instructional Staff	3,397,699	157,737	71,926	(3,168,036)
Board of Education	213,068	10,717	-	(202,351)
Administration	3,262,221	158,052	49,493	(3,054,676)
Fiscal	915,344	43,166	-	(872,178)
Business	252,618	12,642	-	(239,976)
Operation and Maintenance of Plant	4,842,480	193,008	3,398	(4,646,074)
Pupil Transportation	2,857,030	132,449	100,604	(2,623,977)
Central	250,137	12,523	-	(237,614)
Operation of Non-Instructional Services	1,297,250	1,161,803	738,500	603,053
Extracurricular Activities	1,305,156	367,186	236,919	(701,051)
Interest and Fiscal Charges	3,989,213	40,288	-	(3,948,925)
Totals	\$ 51,591,062	\$ 3,589,407	\$ 2,076,438	(45,925,217)
General Revenues				
Property Taxes Levied for:				
General Purposes				27,143,048
Debt Service				5,381,300
Grants, Entitlements and Contributions not				
Restricted to Specific Programs				14,575,481
Investment Earnings				39,049
Miscellaneous				679,727
Total General Revenues				47,818,605
Change in Net Assets				1,893,388
<i>Net Assets Beginning of Year</i>				1,528,231
Net Assets End of Year				\$ 3,421,619

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

Springboro Community City School District, Ohio
Balance Sheet
Governmental Funds
June 30, 2012

	General	Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 10,541,182	\$ 3,886,136	\$ 983,746	\$ 15,411,064
Receivables:				
Interest	2,453	-	-	2,453
Accounts	5,935	-	20,619	26,554
Property Taxes	28,882,399	5,609,314	-	34,491,713
Interfund	35,361	-	-	35,361
Intergovernmental	19,204	-	163,903	183,107
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	96,355	-	-	96,355
Cash and Cash Equivalents with Escrow Agents	-	-	398,066	398,066
	<u>\$ 39,582,889</u>	<u>\$ 9,495,450</u>	<u>\$ 1,566,334</u>	<u>\$ 50,644,673</u>
<i>Total Assets</i>				
	<u>\$ 39,582,889</u>	<u>\$ 9,495,450</u>	<u>\$ 1,566,334</u>	<u>\$ 50,644,673</u>
Liabilities and Fund Balances:				
Liabilities				
Accounts Payable	\$ 579,577	\$ -	\$ 23,639	\$ 603,216
Accrued Wages and Benefits Payable	4,410,701	-	100,846	4,511,547
Interfund Payable	-	-	35,361	35,361
Intergovernmental Payable	1,156,385	-	27,392	1,183,777
Deferred Revenue	27,539,939	5,325,604	66,543	32,932,086
	<u>33,686,602</u>	<u>5,325,604</u>	<u>253,781</u>	<u>39,265,987</u>
<i>Total Liabilities</i>				
	<u>33,686,602</u>	<u>5,325,604</u>	<u>253,781</u>	<u>39,265,987</u>
Fund Balances:				
Restricted	96,355	4,169,846	1,317,348	5,583,549
Assigned	591,509	-	-	591,509
Unassigned	5,208,423	-	(4,795)	5,203,628
	<u>5,896,287</u>	<u>4,169,846</u>	<u>1,312,553</u>	<u>11,378,686</u>
<i>Total Fund Balances</i>				
	<u>5,896,287</u>	<u>4,169,846</u>	<u>1,312,553</u>	<u>11,378,686</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 39,582,889</u>	<u>\$ 9,495,450</u>	<u>\$ 1,566,334</u>	<u>\$ 50,644,673</u>

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

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

Total Governmental Fund Balances		\$ 11,378,686
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.		82,570,371
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Intergovernmental	66,543	
Interest	2,600	
Unamortized Financing Costs	643,939	
Property Taxes	1,132,770	
Total	1,845,852	1,845,852
Accrued Interest Payable related to long-term obligations is not reported in the funds.		(274,835)
Long-Term Liabilities, including bonds, the employee severance plan, the long-term portion of compensated absences, capital leases and loans payable are not due in the current period and therefore are not reported in the funds.		
Compensated Absences	(1,907,881)	
Employee Severance Plan	(847,874)	
Capital Lease Obligations	(14,156,557)	
School Improvement Bonds - 1996 and 1991	(19,035,000)	
School Improvement Bonds Payable - 2005	(5,390,000)	
Premium on Bond Payable - 2005	(129,329)	
School Improvement Refunding Bonds - 2007	(45,315,000)	
Premium on Bonds Payable - 2007	(5,135,245)	
Accounting Loss on Bonds Payable - 2007	427,431	
Loans Payable	(609,000)	
Total	(92,098,455)	(92,098,455)
Net Assets of Governmental Activities		\$3,421,619

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

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

	General	Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 26,840,050	\$ 5,345,721	\$ -	\$ 32,185,771
Intergovernmental	13,961,988	674,707	1,903,618	16,540,313
Investment Earnings	20,101	-	16,348	36,449
Customer Sales and Services	1,645	-	1,155,623	1,157,268
Tuition and Fees	572,340	-	-	572,340
Rent	943,199	-	13,577	956,776
Extracurricular Activities	577,106	-	325,917	903,023
Gifts and Donations	38,481	-	23,553	62,034
Miscellaneous	630,675	-	49,052	679,727
<i>Total Revenues</i>	<u>43,585,585</u>	<u>6,020,428</u>	<u>3,487,688</u>	<u>53,093,701</u>
Expenditures:				
Current:				
Instruction:				
Regular	19,807,300	-	608,472	20,415,772
Special	3,470,551	-	594,903	4,065,454
Vocational	299	-	-	299
Other	636,380	-	-	636,380
Support Services:				
Pupils	2,093,521	-	210,513	2,304,034
Instructional Staff	3,087,288	-	116,144	3,203,432
Board of Education	212,827	-	-	212,827
Administration	3,150,761	-	79,920	3,230,681
Fiscal	855,768	56,521	-	912,289
Business	261,887	-	-	261,887
Operation and Maintenance of Plant	3,788,455	-	5,487	3,793,942
Pupil Transportation	2,669,956	-	1,467	2,671,423
Central	231,692	-	-	231,692
Operation of Non-Instructional Services	22,013	-	1,219,477	1,241,490
Extracurricular Activities	787,094	-	382,569	1,169,663
Capital Outlay	80,719	-	849,675	930,394
Debt Service:				
Principal	648,865	3,187,088	-	3,835,953
Interest and Fiscal Charges	800,060	3,454,396	-	4,254,456
<i>Total Expenditures</i>	<u>42,605,436</u>	<u>6,698,005</u>	<u>4,068,627</u>	<u>53,372,068</u>
<i>Net Change in Fund Balances</i>	980,149	(677,577)	(580,939)	(278,367)
<i>Fund Balances Beginning of Year</i>	<u>4,916,138</u>	<u>4,847,423</u>	<u>1,893,492</u>	<u>11,657,053</u>
<i>Fund Balances End of Year</i>	<u>\$ 5,896,287</u>	<u>\$ 4,169,846</u>	<u>\$ 1,312,553</u>	<u>\$ 11,378,686</u>

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

Springboro Community 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 \$ (278,367)

**Amounts reported for governmental activities in the
statement of activities are different because:**

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 asset additions in the current period.

Capital Asset Additions	1,368,742	
Current Year Depreciation	<u>(3,997,702)</u>	
Total		(2,628,960)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of assets.

Loss on Disposal of Capital Assets		(4,430)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Taxes	338,577	
Interest	2,600	
Intergovernmental	<u>49,572</u>	
Total		390,749

The amortization of premium from the issuance of debt is recorded as a reduction of liability in the statement of net assets, but does not result in an expenditure in the governmental funds.

321,428

The amortization of debt issuance costs are reported in the statement of activities but are not reported as expenditures in the governmental funds.

(48,949)

Deferred amounts on refunding are included as expenditures in the funds, but are deferred and amortized over the life of the bonds in the government-wide financial statements.

(213,716)

Repayment of bond and loan principal are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net assets and does not result in an expense in the statement of activities.

3,309,088

Repayment of capital lease obligations are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net assets and does not result in an expense in the statement of activities.

526,865

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.

Decrease in Compensated Absences	40,264	
Decrease in Employee Severance Plan	272,936	
Decrease in Interest Payable	<u>206,480</u>	

Total		<u>519,680</u>
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Net Change in Net Assets of Governmental Activities \$ 1,893,388

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

Springboro Community City School District, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES:				
Taxes	\$ 26,050,000	\$ 27,591,552	\$ 27,591,552	\$ -
Intergovernmental	13,466,000	13,942,784	13,942,784	-
Investment Earnings	7,000	20,302	20,302	-
Tuition and Fees	129,000	190,324	190,324	-
Rent	10,000	88,136	88,136	-
Extracurricular Activities	489,000	404,506	404,506	-
Customer Sales and Services	2,000	1,645	1,645	-
Miscellaneous	453,000	399,300	399,300	-
Total Revenues	<u>40,606,000</u>	<u>42,638,549</u>	<u>42,638,549</u>	<u>-</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular	19,541,176	19,492,862	19,492,862	-
Special	4,196,952	3,487,854	3,487,854	-
Vocational	84,809	16,096	16,096	-
Other	519,942	577,109	577,109	-
Support Services:				
Pupils	2,719,846	2,170,053	2,170,053	-
Instructional Staff	2,980,306	3,031,688	3,031,688	-
Board of Education	214,442	189,551	189,551	-
Administration	2,917,260	3,080,711	3,080,711	-
Fiscal	983,368	812,356	812,356	-
Business	252,511	272,039	272,039	-
Operation and Maintenance of Plant	4,494,443	3,980,504	3,980,504	-
Pupil Transportation	3,111,724	2,996,368	2,996,368	-
Central	261,722	198,501	198,501	-
Operation of Non-Instructional Services	8,634	9,062	9,062	-
Extracurricular Activities	520,986	739,497	739,497	-
Capital Outlay	77,487	93,379	93,379	-
Debt Service:				
Principal	211,000	211,000	211,000	-
Interest	110,000	172,601	172,601	-
Total Expenditures	<u>43,206,608</u>	<u>41,531,231</u>	<u>41,531,231</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,600,608)</u>	<u>1,107,318</u>	<u>1,107,318</u>	<u>-</u>
OTHER FINANCING SOURCES AND USES:				
Refund of Prior Year Expenditures	50,000	72,822	72,822	-
Advances In	30,000	80,223	80,223	-
Advances Out	(100,000)	(29,273)	(29,273)	-
Total Other Financing Sources and Uses	<u>(20,000)</u>	<u>123,772</u>	<u>123,772</u>	<u>-</u>
Net Change in Fund Balance	(2,620,608)	1,231,090	1,231,090	-
Fund Balance at Beginning of Year	7,910,756	7,910,756	7,910,756	-
Prior Year Encumbrances Appropriated	399,208	399,208	399,208	-
Fund Balance at End of Year	<u>\$ 5,689,356</u>	<u>\$ 9,541,054</u>	<u>\$ 9,541,054</u>	<u>\$ -</u>

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

Springboro Community City School District, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	Private Purpose Trust Fund	Agency Fund
ASSETS:		
Equity in Pooled Cash and Cash Equivalents	\$ 81,180	\$ 173,625
LIABILITIES:		
Undistributed Monies	-	\$ 173,625
NET ASSETS:		
Held in Trust for Scholarships	\$ 81,180	

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

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

	Private Purpose Trust Fund
ADDITIONS:	
Interest	\$ 386
Gifts and Contributions	1,000
Total Additions	1,386
DEDUCTIONS:	
Payments in Accordance with Trust Agreements	2,500
Change in Net Assets	(1,114)
Net Assets Beginning of Year	82,294
Net Assets End of Year	\$ 81,180

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

Springboro Community City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2012

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Springboro Community City School District (the “School District”) is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by state statute and/or federal guidelines.

The School District was established in 1990 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 44.7 square miles. It is located in Warren County, and includes the City of Springboro and Clearcreek Township and a small portion of Franklin Township. It is staffed by 208 non-certificated employees, 18 administrative employees, and 324 certificated full-time teaching personnel who provide services to 5,789 students and other community members. The School District currently operates 9 instructional buildings, 2 administrative buildings, and 1 garage.

A. Reporting Entity

The reporting entity is comprised of the primary government. The primary government of the School District consists of all funds, departments, boards and agencies that are not legally separate from the School District. For Springboro Community City School District, this includes general operations, food service, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization’s governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization’s resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes.

The School District has no component units.

The School District is associated with three jointly governed organizations. These organizations are the Southwestern Ohio Computer Association (SWOCA), the Warren County Career Center, and the Southwestern Ohio Educational Purchasing Council.

Southwestern Ohio Computer Association - The School District is a participating member of the Southwestern Ohio Computer Association (SWOCA). SWOCA provides data services needed by the participating school districts. D. Russell Lee Vocational School serves as the fiscal agent. This is a jointly governed organization and the School District's participation is discussed in Note 16 to the Basic Financial Statements.

Warren County Career Center - The School District became a member of a cooperative agreement to establish the Warren County Career Center to provide for the vocational and special education needs of the students. The School District is not involved in the budgeting or management of the Warren County Career Center. A board member appointed by the School District’s school board members serves as a member of the Warren County Career Center Board of Education. This is a jointly governed organization and the School District's participation is discussed in Note 16 to the Basic Financial Statements.

Springboro Community City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2012

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY (Continued)

Southwestern Ohio Educational Purchasing Council - The School District is a participating member of the Southwestern Ohio Educational Purchasing Council (the "Council"). The Council's purpose is to obtain prices for quality merchandise and services commonly used by schools. The Montgomery County Educational Service Center acts as the fiscal agent. This is a jointly governed organization and the School District's participation is discussed in Note 16 to the Basic Financial Statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

A. Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net 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 the fiduciary funds.

The statement of net assets presents the financial condition of the governmental activities of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department, and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program; and grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

Springboro Community City School District, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting

The School District's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. The funds used by this School District can be classified using two categories, governmental and fiduciary. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific School District functions or activities.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund The General Fund is the operating fund of the School District and is used to account for all financial resources not accounted for and reported in another fund. The General Fund is available to the School District for any purpose provided it is expended or transferred according to the school laws of Ohio.

Bond Retirement Fund The Bond Retirement Debt Service Fund is a fund provided for the retirement of serial bonds and short term loans. All revenue derived from general or special levies, either within or exceeding the ten-mill limitation, which is levied for debt charges on bonds or loans, shall be paid into this fund. The primary source of revenue for this fund is property tax levies.

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose and capital projects of the School District.

Fiduciary Fund Type Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's only fiduciary funds are agency funds which account for student managed activities and private purpose trust funds which are used to account for the financial activity of the School District's Scholarship Funds.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets. The statement of activities accounts for increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Springboro Community City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting.

Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Measurable” means the amount of the transaction can be determined and “available” means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 5). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, tuition, grants and fees.

Deferred/Unearned Revenue Deferred/unearned 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 deferred/unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred/unearned revenue.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, except for (1) principal and interest on general long-term debt, which is recorded when due, and (2) the costs of accumulated unpaid vacation and sick leave are reported as fund liabilities upon the occurrence of employee resignations and retirements. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Springboro Community City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the balance sheet and the statement of net assets.

During fiscal year 2012, investments were limited to STAROhio, U.S. Government Agency notes, commercial paper, and money market accounts.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

The School District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2012. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio 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 STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2012.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund, the Nonmajor Governmental Funds, and the Private Purpose Trust Funds during fiscal year 2012 amounted to \$20,101, \$16,348, and \$386, respectively.

For purposes of presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents.

F. Capital Assets

The School District's only capital assets are general capital assets. General capital assets are those assets specifically related to governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

Springboro Community City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All reported capital assets, except 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:

Description	Estimated Lives
Land Improvements	10 - 40 years
Buildings and Improvements	20 - 50 years
Furniture and Equipment	5 - 15 years
Vehicles	3 - 15 years
Books	5 years

G. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributed to services already rendered and it is probable that the School District 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 eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy.

The entire sick leave benefit and vacation liabilities are reported on the government-wide financial statements. On the governmental fund financial statements, sick leave benefits are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are reported as "matured compensated absences payable" in the fund from which the employees who will receive the payment is paid.

H. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds are recognized as a liability on the governmental fund financial statements when due.

I. Interfund Activity

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Interfund transfers are eliminated in the statement of activities.

J. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance classification includes amounts that cannot be spent because they are not in the spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Springboro Community City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the School District Board of Education. The School District Board of Education allows the Treasurer to assign amounts for various purchase orders.

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

K. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Any unexpended balances from borrowings are added back to this balance. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes represents balances in special revenue funds for grants received which are restricted as to their use by grantors.

The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Of the District's \$5,624,760 restricted net assets, \$0 is restricted by enabling legislation.

L. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Springboro Community City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Budgetary Process

All funds, other than the agency fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer has the authority to allocate appropriations to the function and object level without resolution by the Board.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statement are based on estimates made before the end of the prior fiscal year. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the amended certificate in effect when final appropriations for the fiscal year were passed.

The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year. As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year-end are reported as a restriction, commitment or assignment of fund balance for subsequent-year expenditures for governmental funds.

N. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. Restricted assets in the General Fund include amounts required by state statute to be set aside for budget stabilization. See Note 14 for additional information regarding set-asides and the budget stabilization reserve.

The School District maintains cash and cash equivalents in several accounts to account for proceeds from several capital leases. These monies are restricted for capital improvements to School District facilities and these amounts are reported as "Restricted Cash and Cash Equivalents with Escrow Agents" on the financial statements.

O. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivables" and "Interfund Payables". These amounts are eliminated in the governmental activities column of the statement of net assets.

Springboro Community City School District, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Unamortized Bond Issuance Costs/Bond Premium and Discount

On government-wide financial statements, bond issuance costs are deferred and amortized over the term of the bonds using the straight line method, which approximates the effective interest method. Unamortized bond issuance costs are recorded as an asset on the government wide financial statements.

Bond premiums are deferred and amortized over the term of the bonds. Bond premiums are presented as an addition to the face amount of the bonds. Capital appreciation bond discounts are accreted over the term of the bonds.

On the governmental-wide financial statements, issuance costs, accretion and bond premiums are recognized in the current period.

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary 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 (modified accrual) basis are as follows:

1. Revenues are recorded when received in cash (budgetary basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budgetary basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budgetary basis) rather than as a restriction, commitment or assignment of fund balance (GAAP basis); and
4. Funds treated as General Fund equivalents on the GAAP basis are not included on the budget basis.

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statement for the General Fund.

Net Change in Fund Balance

GAAP Basis	\$ 980,149
Revenue Accruals	876,319
Expenditure Accruals	(190,595)
Prospective Difference:	
Activity of Funds Reclassified for GAAP Reporting Purposes	151,836
Encumbrances	<u>(586,619)</u>
Budgetary Basis	<u><u>\$ 1,231,090</u></u>

Springboro Community City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2012

NOTE 4 – DEPOSITS AND INVESTMENTS

State statutes classify monies held by the School District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits the Board of Education has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or securities issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond; and other obligations of the State of Ohio, its political subdivisions, or other units or agencies of this State or its political subdivisions;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio);
8. Securities lending agreements in which the School District lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2), or cash, or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed five percent of the School District's total average portfolio; and
10. Bankers acceptances for a period not to exceed 270 days in an amount not to exceed ten percent of the School District's total average portfolio.

Springboro Community City School District, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Protection of the School District’s deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits: Custodial credit risk is the risk that in the event of a bank failure, the School District’s deposits may not be returned to it. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agency of instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The School District’s policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

As of June 30, 2012, the School District’s bank balance of \$8,085,681 was either covered by FDIC or collateralized by the financial institution’s public entity deposit pools in the manner described above.

As of June 30, 2012, the School District had the following investments and maturities:

	Carrying/Fair Value	Weighted Average Maturity (Years)
STAR Ohio	\$ 33,022	< 1 year
Fifth Third Money Market	560,297	< 1 year
Commercial Paper	4,984,350	< 1 year
Federal Home Loan Bank	585,190	< 1 year
Federal Home Loan Bank	764,283	1 - 2 years
Federal National Mort. Assoc.	751,134	1 - 2 years
Federal National Mort. Assoc.	450,875	3 - 5 years
Federal Home Loan Mort. Corp.	454,330	< 1 year
Total Investments	<u>\$ 8,583,481</u>	

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the School District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to meet cash flow requirements. The policy stipulates that generally investments should not exceed one year unless matched to specific cash flow requirements. The School District has complied with this requirement.

Springboro Community City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2012

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School District’s investment policy limits investments to those authorized by State statute. Investments in STAR Ohio were rated AAAM by Standard & Poor’s. The Fifth Third Money Market was rated AAAM by Standard & Poor’s and Aaa by Moody’s. U.S. Government Securities were rated Aaa by Moody’s and AA+ by Standard & Poor’s. The Commercial Paper was rated Prime-1 by Moody’s.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The School District places no limit on the amount it may invest in any one issuer. The School District has invested .4% in STAR Ohio, 6.5% in Fifth Third Money Market, 58.1% in Commercial Paper, and 35.0% in U.S. Government Securities.

Custodial credit risk is the risk that in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the School District’s securities are either insured and registered in the name of the School District or at least registered in the name of the School District with the exception of the repurchase agreements which are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty’s trust department or agent, but not in the School District’s name.

The School District has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

NOTE 5 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2012 represents collections of calendar year 2011 taxes. Real property taxes received in calendar year 2012 were levied after April 1, 2011, on the assessed value listed as of January 1, 2011, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2012 represents collections of calendar year 2011 taxes. Public utility real and tangible personal property taxes received in calendar year 2012 became a lien on December 31, 2010, were levied after April 1, 2011, and are collected in 2012 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2012 (other than public utility property tax) represents the collection of 2012 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2009 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2012 were levied after April 1, 2011, on the value as of December 31, 2011. Payments 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. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

Springboro Community City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2012

NOTE 5 - PROPERTY TAXES (Continued)

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

	2011 Second-Half Collections		2012 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$847,749,360	93.43%	\$855,376,590	93.11%
Public Utility Personal	59,647,115	6.57%	63,255,810	6.89%
Total	\$907,396,475	100.00%	\$918,632,400	100.00%

Tax Rate per \$1,000 of assessed valuation	\$60.71	\$60.22
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The School District receives property taxes from Warren County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2012, are available to finance fiscal year 2012 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real, personal property, and public utility taxes which are measurable as of June 30, 2012, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations. The amount available as an advance at June 30, 2012, was \$1,628,770 and is recognized as revenue: \$1,345,060 in the General Fund and \$283,710 in the Bond Retirement Fund. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

NOTE 6 – RECEIVABLES

Receivables at June 30, 2012, consisted of property taxes, interfund, accounts, interest, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

General Fund	<u>\$19,204</u>
Other Non-major Governmental Funds:	
Vocational Education Enhancement	1,920
Title VI-B	84,987
Title II-D	618
Title I	33,468
Preschool-Handicapped	2,018
Improving Teacher Quality	40,892
Total Other Non-major Governmental Funds	<u>163,903</u>
Total All Funds	<u><u>\$183,107</u></u>

Springboro Community City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2012

NOTE 7 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2012, was as follows:

	<u>Ending Balance</u> <u>06/30/11</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u> <u>06/30/12</u>
<u>Governmental Activities</u>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 1,421,691	\$ -	\$ -	\$ 1,421,691
Construction In Progress	-	588,940	-	588,940
<i>Total Capital Assets Not Being Depreciated</i>	<u>1,421,691</u>	<u>588,940</u>	<u>-</u>	<u>2,010,631</u>
<i>Total Capital Assets Being Depreciated</i>				
Land Improvements	6,140,892	275,713	-	6,416,605
Buildings and Improvements	100,826,306	24,780	-	100,851,086
Furniture and Equipment	15,649,101	438,231	(5,835)	16,081,497
Vehicles	4,178,715	41,078	-	4,219,793
Books	2,761,789	-	-	2,761,789
<i>Total Capital Assets Being Depreciated</i>	<u>129,556,803</u>	<u>779,802</u>	<u>(5,835)</u>	<u>130,330,770</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(2,867,955)	(315,077)	-	(3,183,032)
Buildings and Improvements	(24,912,507)	(2,505,636)	-	(27,418,143)
Furniture and Equipment	(11,835,018)	(824,870)	1,405	(12,658,483)
Vehicles	(3,606,635)	(212,413)	-	(3,819,048)
Books	(2,552,618)	(139,706)	-	(2,692,324)
<i>Total Accumulated Depreciation</i>	<u>(45,774,733)</u>	<u>(3,997,702)</u>	<u>1,405</u>	<u>(49,771,030)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>83,782,070</u>	<u>(3,217,900)</u>	<u>(4,430)</u>	<u>80,559,740</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$ 85,203,761</u>	<u>\$ (2,628,960)</u>	<u>\$ (4,430)</u>	<u>\$ 82,570,371</u>

Depreciation expense was charged to government functions as follows:

Instruction:	
Regular	\$ 2,296,169
Special	13,006
Support Services:	
Pupils	26,223
Instructional Staff	158,935
Board of Education	241
Administration	50,374
Fiscal	1,613
Business	1,565
Operation and Maintenance of Plant	1,004,595
Pupil Transportation	225,434
Central	1,456
Operation of Non-Instructional Services	82,730
Extracurricular Activities	135,361
Total Depreciation Expense	<u>\$ 3,997,702</u>

Springboro Community City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2012

NOTE 8 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2012, the School District contracted with Ohio Casualty Insurance Company for property insurance with a \$144,574,875 aggregate limit and a \$1,000 deductible and inland marine of \$100,000 limit and a \$500 deductible. Professional liability is protected with a per occurrence limit of \$1,000,000 and a \$2,000,000 aggregate limit with a \$10,000 deductible under a commercial umbrella policy.

The School District's vehicles are covered by the Ohio Casualty Insurance Company, and it holds a \$500 comprehensive deductible and \$500 deductible for collision. Automobile liability has a \$1,000,000 combined single limit of liability. Vehicles are also covered under the commercial umbrella policy.

The Cincinnati Insurance Company maintains a \$50,000 public official bond for the Treasurer and Business Manager and a \$10,000 blanket bond for other employees.

The School District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on claim history and administrative costs.

Settled claims have not exceeded this commercial coverage in any of the past three years. The School District evaluated its insurance coverage during the current fiscal year and increased their coverage.

The School District provides medical/surgical insurance through Anthem, dental insurance through Dental Care Plus and vision insurance through Faye Med, commercial insurance companies.

NOTE 9 – EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators do not earn vacation time, with the exception of the Superintendent, Treasurer, Director of Educational Services, and Director of Support Services. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 275 days for certified and 270 for classified employees. Upon retirement and after being employed in the District for ten years, payment is made for twenty-five percent of the employee's accumulated sick leave up to a maximum of sixty-eight and three-fourth days.

B. Retirement Incentive

In fiscal year 2011, the School District adopted a one-time early severance incentive package. Participation was available to teachers and administrators who had ten or more years of service with the School District or were eligible for full or reduced benefits under the State Teachers Retirement System as of June 30, 2011. Employees under the State Teachers Retirement System who attained 29 or 34 years as of June 30, 2011 could elect to work through June 30, 2012, provided they made the election within the window period of election, which was February 15, 2011 through April 4, 2011.

Teachers and administrators electing the package receive \$45,000, plus regular severance payments calculated under the applicable collective bargaining agreement. Payments are being made as follows:

Group 1 – Employees electing the package who are eligible to retire with full or reduced benefits under the State Teachers Retirement System effective on his or her exit date – Participants will receive the total package benefit over 5 years, divided into 60 equal monthly payments made to the participant's selected post-employment 403(b) account. Group 1 participants cannot opt to receive cash rather than post-employment 403(b) deposits.

Springboro Community City School District, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 9 – EMPLOYEE BENEFITS (Continued)

Group 2 – Employees electing the package but are not eligible to retire under the State Teachers Retirement System effective on his or her exit date – Participants will have the total package benefit paid to them over eight years, divided into 96 equal monthly payments. Payments will be subject to withholding for all applicable Medicare, federal, state, and local taxes. Benefits will begin on a date between October 15 and October 30 following the employee’s exit date and will be paid on or about the 15th of each month thereafter until all payments are completed.

NOTE 10 - PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (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 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 can be obtained on SERS’ website, www.ohsers.org, under *Employers/Audit Resources*.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. 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 2012, the allocation to pension and death benefits is 12.70 percent. The remaining 1.30 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Fund. The School District’s contributions to SERS which were allocated for pension and death benefits for the fiscal years ended June 30, 2012, 2011 and 2010 were \$915,061, \$872,757, and \$1,014,360, respectively; 58 percent of the required contribution has been made for fiscal year 2012 and 100 percent of the required contribution has been made for fiscal years 2011 and 2010. \$381,805 represents the unpaid contribution for fiscal year 2012 and is recorded as a liability within the respective funds.

B. State Teachers Retirement System

State Teachers Retirement System of Ohio (STRS Ohio) is a cost-sharing, multiple-employer public employee retirement system.

STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof.

Plan Options – 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. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5 percent of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. 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.

Springboro Community City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2012

NOTE 10 - PENSION PLANS (Continued)

DB Plan Benefits – Plan benefits are established under Chapter 3307 of the 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 member’s 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%. An additional one-tenth of a percent is added to the calculation of every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. 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. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits – Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. 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 member’s designated beneficiary is entitled to receive the member’s account balance.

Combined Plan Benefits – Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member’s defined benefit is determined by multiplying 1% of the member’s final average salary by the member’s years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member 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 as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the 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 receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A DB or Combined Plan member with five or more years’ credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members’ beneficiaries.

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

Springboro Community City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2012

NOTE 10 - PENSION PLANS (Continued)

For the fiscal years ended June 30, 2012, 2011, and 2010, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by STRS Ohio, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2012, 2011, and 2010 were \$2,465,400, \$2,338,856, and \$2,854,704, respectively; 83% has been contributed for the fiscal year 2012 and 100% for the fiscal year 2011 and 2010. \$429,680 represents the unpaid contribution for fiscal year 2012 and is recorded as a liability within the respective funds.

STRS Ohio issues a stand-alone financial report. Copies of STRS Ohio's Comprehensive Annual Financial Report can be requested by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

B. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2012, two members of the Board of Education had elected Social Security.

NOTE 11 - POSTEMPLOYMENT BENEFITS

A. State Teachers Retirement System

STRS Ohio administers a pension plan that is comprised of: a defined benefit plan; a self-directed defined contribution plan and a combined plan which is a hybrid of the defined benefit and defined contribution plan.

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the defined benefit or combined plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Pursuant to 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated 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.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting www.strsoh.org or by requesting a copy by calling toll-free 1-888-227-7877.

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14 percent employer contribution rate, 1 percent of covered payroll was allocated to post-employment health care for the years ended June 30, 2012, 2011 and 2010. The 14 percent employer contribution rate is the maximum rate established under Ohio law. For the School District, these amounts equaled \$185,313, \$183,712, and \$203,907 for fiscal years 2012, 2011, and 2010, respectively, which were equal to the required allocation for each year.

B. School Employees Retirement System

In addition to a cost-sharing multiple-employer defined benefit pension plan, the School Employees Retirement System of Ohio (SERS) administers two postemployment benefit plans.

Springboro Community City School District, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the 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, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal years 2012, 2011, and 2010, the actuarially required allocations were 0.75, 0.76 percent, and 0.76 percent. For the School District, contributions for the years ended June 30, 2012, 2011, and 2010, were \$58,911, \$57,299, and \$55,066, which equaled the required allocation for each year.

Health Care Plan

Ohio Revised Code 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The Ohio Revised Code provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e).

Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. At June 30, 2012, 2011, and 2010, the health care allocations were .55 percent, 1.43 percent, and .46 percent, respectively. 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. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent 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. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2012, 2011, and 2010 fiscal years equaled \$127,770, \$194,811, and \$139,108, respectively, which equaled the required allocation for each year.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending upon the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. It is also posted on SERS' website at www.ohsers.org under *Employers/Audit Resources*.

Springboro Community City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2012

NOTE 12 - LONG TERM OBLIGATIONS

The changes in the School District's long-term obligations during the fiscal year consisted of the following:

	Principal Outstanding 06/30/11	Additions	Reductions	Principal Outstanding 06/30/12	Amounts Due in One Year
Governmental Activities					
<i>School Improvement Bond</i>					
1996 and 1991 Refunding 3.5-6%	\$ 20,325,000	\$ -	\$ 1,290,000	\$ 19,035,000	\$ 1,280,000
<i>School Improvement Bond</i>					
2005 Bonds 2% - 5.125%	5,390,000	-	-	5,390,000	2,275,000
Premium	193,995	-	64,666	129,329	-
Capital Appreciation Bonds	160,000	-	160,000	-	-
Accretion	1,737,088	-	1,737,088	-	-
<i>School Improvement Bond</i>					
2007 Refunding Bonds 4%-5.25%	45,315,000	-	-	45,315,000	-
Premium	5,392,007	-	256,762	5,135,245	-
Accounting Loss	(641,147)	-	(213,716)	(427,431)	-
Capital Funding Loan Payable	731,000	-	122,000	609,000	122,000
Capital Leases Payable	14,683,422	-	526,865	14,156,557	567,850
Employee Severance Plan	1,120,810	127,031	399,967	847,874	396,785
Compensated Absences	1,948,145	3,079,790	3,120,054	1,907,881	13,802
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 96,355,320</u>	<u>\$ 3,206,821</u>	<u>\$ 7,463,686</u>	<u>\$ 92,098,455</u>	<u>\$ 4,655,437</u>

Springboro High School Addition General Obligation Bonds - On February 7, 1996, the School District issued \$32,664,632 in voted general obligation bonds for the purpose of constructing a new high school building and to refund a 1991 School Improvement bond issuance. \$6,535,000 were issued as serial bonds with interest rates ranging from 3.50% to 4.40%, and maturity dates of December 1, 1996 to December 1, 2003. \$25,045,000 are term bonds with interest rates ranging from 5.10% to 6.00%, and maturity dates of December 1, 2011, 2016, and 2023. The bonds are being retired from the Bond Retirement Fund.

Springboro Capital Funding Loan - In 2002, Springboro Community City School District borrowed \$1,829,000 from the Ohio School Boards Association School Expanded Asset Pooled Financing Program, for the purpose of HVAC improvements throughout the School District. The loan is for a fifteen year period with final maturity at June 2017. The debt is being retired from the General Fund.

Springboro School Improvement General Obligation Bonds – In July 15, 2004, Springboro Community City School District issued \$61,500,000 in General Obligation Bonds to replace the Bond Anticipation notes issued in the previous fiscal year. The balance above includes a premium received and accreted debt. The bonds will be retired from the Bond Retirement Fund. Of the \$61,165,000, \$31,210,000 are serial bonds with interest rates ranging from 2.0-5.125% and will mature in 2025. \$10,360,000, \$4,570,000, and \$9,025,000 are term bonds with interest rates of 5.00%, 4.75%, and 5.00% respectively. The maturity of these term bonds are 2027, 2029, and 2032 respectively. \$335,000 of the total is capital appreciation bonds. \$175,000 of these capital appreciation bonds have an interest rate of 36.26% and matured in fiscal year 2011. \$160,000 of the capital appreciation bonds have an interest rate of 36.22% and matured in fiscal year 2012.

Springboro Community City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2012

NOTE 12 - LONG TERM OBLIGATIONS (Continued)

Springboro School Improvement General Obligation Bonds – In March 2007, Springboro Community City School District issued \$46,020,000 in General Obligation Refunding Bonds to partially refund part of the School District’s outstanding debt. The bonds will be retired from the Bond Retirement Fund. Of the \$46,020,000, \$32,665,000 are serial bonds with interest rates ranging from 4.0-5.25% and will mature in 2030. \$2,415,000, \$5,000,000, and \$5,940,000 are term bonds with interest rates of 5.25%. The maturity of these term bonds are 2024, 2031, and 2033 respectively.

Compensated absences and payments for the Employee Severance Plan will be paid from the fund from which the person is paid, with the General Fund being the most significant. Capital lease obligations will be paid from the General fund.

In prior years, the School District defeased School Improvement General Obligation Bonds by placing the proceeds of the 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 School District’s financial statements.

The overall debt margin of the School District as of June 30, 2012, was \$17,106,762, with an unvoted debt margin of \$918,632.

Principal and interest requirements to retire the School Improvement Bonds and the OASBO Loans outstanding at June 30, 2012, are as follows:

Fiscal Year Ending June 30,	School Improvement Bonds			OASBO Loans		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$3,555,000	\$3,391,840	\$6,946,840	\$122,000	\$27,566	\$149,566
2014	4,165,000	3,228,615	7,393,615	122,000	22,012	144,012
2015	1,685,000	3,099,941	4,784,941	122,000	16,498	138,498
2016	2,010,000	3,011,236	5,021,236	122,000	10,354	132,354
2017	2,430,000	2,909,989	5,339,989	121,000	6,099	127,099
2018-2022	20,260,000	12,078,088	32,338,088	-	-	-
2023-2027	17,520,000	7,300,050	24,820,050	-	-	-
2028-2032	15,110,000	2,568,038	17,678,038	-	-	-
2033	3,005,000	78,881	3,083,881	-	-	-
	<u>\$69,740,000</u>	<u>\$37,666,678</u>	<u>\$107,406,678</u>	<u>\$609,000</u>	<u>\$82,529</u>	<u>\$691,529</u>

Springboro Community City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2012

NOTE 13 – INTERFUND ACTIVITY

A. Interfund Receivables/Payables

As of June 30, 2012 receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund (Major Fund)	\$ 35,361	\$ -
Non-major Governmental Funds:		
Auxiliary Services	-	1,918
Education Management Information System	-	403
Vocational Education Enhancement	-	1,790
Title VI-B	-	13,131
Title II-D	-	431
Title I	-	4,055
Title V	-	3,766
Improving Teacher Quality	-	9,867
Total Non-major Governmental Funds	-	35,361
Total All Funds	<u>\$ 35,361</u>	<u>\$ 35,361</u>

The General Fund periodically provides advances to grant funds to provide temporary resources to such funds until grant monies are received at which time the advances are repaid.

NOTE 14 – SET-ASIDE CALCULATIONS AND FUND RESERVES

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition or construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in restricted cash at year-end and carried forward to be used for the same purposes in future years. As of fiscal year ended June 30, 2003, the School District was no longer required to set aside funds in the budget reserve set-aside, with the exception of monies received from the Bureau of Workers' Compensation, which must be retained for budget stabilization or spent for specified purposes.

Springboro Community City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2012

NOTE 14 – SET-ASIDE CALCULATIONS AND FUND RESERVES (Continued)

The following information describes the change in the year-end set-aside amounts for capital acquisition and budget stabilization reserve. Disclosure of this information is required by State statute.

	Capital Maintenance Reserve	Budget Stabilization Reserve
Set Aside Reserve Cash Balance 07/01/2011	\$0	\$96,355
Current Year Set-Aside Requirement	975,428	0
Prior Year Offsets from Bond Proceeds	(468,788)	0
Qualifying Expenditures	<u>(506,640)</u>	<u>0</u>
Balance Carried Forward to FY 2012	<u>\$0</u>	<u>\$96,355</u>
Set Aside Reserve Cash Balance as of June 30, 2012	\$0	\$96,355

The School District had offsets and qualifying disbursements during the year that reduced the set-aside amount below zero in the Capital Maintenance Reserve. The carryover amount in the Capital Maintenance Reserve is limited to the balance of the offsets attributed to bond or tax levy proceeds. The School District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods, which was \$54,666,178 at June 30, 2012.

Effective July 1, 2011, the textbook reserve requirement was eliminated; therefore, no balance or other information is presented.

NOTE 15 – CAPITALIZED LEASES – LESSEE DISCLOSURE

During previous years, the School District entered into capitalized leases for the purchase of buses, modular classrooms, computers, copiers and to construct a new central office. The terms of each agreement provide options to purchase the equipment. Each lease meets 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 lease payments have been reclassified and are reflected as debt service in the financial statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

Springboro Refunding/Land Lease-Purchase Agreement – In October 2003 Springboro Community City School District entered into a lease-purchase agreement in the amount of \$1,064,000 to purchase land for the School District and to refinance part of the 2001 school bus purchase loan. The agreement is for 28 years with a final maturity in 2032. The debt is being paid from the General Fund.

Springboro Refunding/Lease-Purchase Agreement – In June 2004 Springboro Community City School District entered into a lease-purchase agreement in the amount of \$988,000 to refinance a capital lease and part of the school bus purchase loan. The agreement is for 28 years with a final maturity in 2034. The debt is being paid from the General Fund.

School Bus Lease - During 2005 Springboro Community City School District entered into a lease agreement in the amount of \$206,310 to purchase four school buses. The agreement is for 10 years with a final maturity in 2014. The debt is being paid from the General Fund.

Springboro Community City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2012

NOTE 15 – CAPITALIZED LEASES – LESSEE DISCLOSURE (Continued)

Copier Lease - During 2010 Springboro Community City School District entered into a lease agreement in the amount of \$240,842 to purchase copiers. The agreement is for 60 months, to be paid monthly, with a final maturity in 2015. The debt is being paid from the General Fund.

School Bus Lease – During 2006 Springboro Community City School District entered into a lease agreement in the amount of \$1,234,670 to purchase school buses. The agreement is paid yearly, with a final maturity in 2017. The debt is being paid from the General Fund.

Healthcare Complex Lease – During fiscal year 2008 the Springboro Community City School District entered into a lease-purchase agreement in the amount of \$6,139,000 for the acquisition, construction, equipping and renovation for School District Facilities including a multi-use building containing locker room, weight room and medical services facilities. The agreement is for 24 years with a final maturity in 2030. The debt is being paid from the General Fund. The School District has entered into a sub-lease agreement during fiscal year 2008 with Miami Valley Hospital, whereby the School District is sub-leasing approximately 25,500 rentable square feet of the facility they are presently constructing. The terms of the agreement are for a multi-year period with payments beginning on November 15, 2008 and concluding on November 15, 2030. The total payments to be received over the life of the sub-lease agreement are \$16,954,809. These sub-lease payments are pledged to pay off the capital lease that the School District entered into during fiscal year 2008 to construct the facilities.

Stadium/Sign Lease –During fiscal year 2008 Springboro Community City School District entered into a lease-purchase agreement in the amount of \$5,624,000 for the purpose of constructing a football/track stadium and the signage for this facility. The agreement is for 24 years with a final maturity in 2030. The debt is being paid from the General Fund. The School District has entered into a naming rights agreement during fiscal year 2008 with Miami Valley Hospital, whereby the School District is providing certain sponsorship and marketing rights to Miami Valley Hospital related to the rebuilt and upgraded high school football and track facility. The terms of the agreement are for a multi-year period with payments beginning on November 15, 2008 and concluding on November 15, 2023. The total payments to be received over the life of the agreement are \$3,177,581. These payments are pledged to pay off the capital lease that the School District entered into during fiscal year 2008 to construct the facilities.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2012.

<u>Fiscal Year Ending June 30,</u>	<u>Minimum Lease Payment</u>
2013	\$1,281,841
2014	1,300,063
2015	1,270,723
2016	1,257,226
2017	1,274,072
2018-2022	6,015,231
2023-2027	5,198,453
2028-2032	4,023,842
2033-2034	<u>131,352</u>
Total	21,752,803
Less: Administrative Fees and Interest	<u>(7,596,246)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$14,156,557</u></u>

Springboro Community City School District, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

Southwestern Ohio Computer Association- The School District is a participant in the Southwestern Ohio Computer Association (SWOCA) which is a computer consortium. SWOCA is an association of public school districts within the boundaries of Warren, Butler, and Preble Counties and Loveland City Schools. 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 school districts.

The governing board of SWOCA consists of two representatives from each county elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent. Financial information can be obtained from Michael Crumley, Executive Director, at 3607 Hamilton-Middletown Road, Hamilton, Ohio 45011.

Warren County Career Center- The Warren County Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from the participating school district's elected board, which possesses its own budgeting and taxing authority. Accordingly, the Warren County Career Center is not part of the School District and its operations are not included as part of the reporting entity. The School District gave no financial contributions during the fiscal year. Financial information can be obtained from Karen Royer, Treasurer, at 3525 SR48 North, Lebanon, Ohio 45036.

Southwestern Ohio Educational Purchasing Council - The School District participates in the Southwestern Ohio Educational Purchasing Council (SOEPC). The Montgomery County Educational Service Center acts as the fiscal agent for the group. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges or other assessments as established by the SOEPC. Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts by the Fiscal Agent. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the General Fund. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, at 303 Corporate Center Drive, Suite 208, Vandalia, Ohio 45377.

NOTE 17 - CONTINGENCIES

A. Grants

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 School 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 are 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 School District at June 30, 2012, if applicable, cannot be determined at this time.

B. Litigation

The School District is currently not party to any legal proceedings.

Springboro Community City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2012

NOTE 18 – ACCOUNTABILITY

At June 30, 2012, the Education Management Information Systems, Onenet, Title II-D, and Title V special revenue funds had deficit fund balances of \$403, \$214, \$412, and \$3,766. The deficits in these funds are due to adjustments for accrued liabilities and the timing of grant awards. The General Fund provides transfers when cash is required, not when expenditures are incurred.

NOTE 19 – FUND BALANCES

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on the fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
Restricted for				
Food Service Operations	\$0	\$0	\$393,251	\$393,251
Athletics	0	0	150,807	150,807
Title VI-B	0	0	100,863	100,863
Other Purposes	0	0	56,997	56,997
Budget Stabilization	96,355	0	0	96,355
Capital Improvements	0	0	615,430	615,430
Debt Services Payments	0	4,169,846	0	4,169,846
Total Restricted	<u>96,355</u>	<u>4,169,846</u>	<u>1,317,348</u>	<u>5,583,549</u>
Assigned to				
Other Purposes	<u>591,509</u>	<u>0</u>	<u>0</u>	<u>591,509</u>
Unassigned (Deficit)	<u>5,208,423</u>	<u>0</u>	<u>(4,795)</u>	<u>5,203,628</u>
Total Fund Balances	<u><u>\$5,896,287</u></u>	<u><u>\$4,169,846</u></u>	<u><u>\$1,312,553</u></u>	<u><u>\$11,378,686</u></u>



**COMBINING AND INDIVIDUAL
FUND FINANCIAL
STATEMENTS AND
SCHEDULES**

**Springboro Community City School District
Fund Descriptions**

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes. The following are descriptions of the School District's nonmajor special revenue funds:

Nonmajor Special Revenue Funds

Food Service

A fund to account for all transactions related to the provision of food service operations for the School District.

Other Grants

A fund to account for the proceeds of specific revenue sources except state and federal grants that are legally restricted to expenditures for specified purposes.

District Managed Activities

To account for student activity programs which have student participation in the activity, but do not have student management for the programs.

Auxiliary Services

A fund used to account for monies which provide services and materials to pupils attending non-public schools within the School District.

Education Management Information Systems

A fund to account for hardware and software development, or other costs associated with the requirements of the management information system.

Onenet

A fund provided to account for money appropriated for Ohio Educational Computer Network Connections.

Vocational Education Enhancement

A fund used to account for Vocational Education Enhancements that: 1) expand the number of students enrolled in tech prep programs, 2) enable students to develop career plans, to identify initial educational and career goals, and to develop a career passport which provides a clear understanding of the student's knowledge, skills, and credentials to present to future employers, universities, and other training institutes and 3) replace or update equipment essential for the instruction of students in job skills taught as part of a vocational program or programs approved for such instruction by the State Board of Education.

Miscellaneous State Grants

A fund used to account for various restricted monies received from State agencies which are not classified elsewhere.

Education Jobs

A fund used to account for Federal monies received and expended to provide compensation and benefits and other expenditures, such as support services, necessary to retain existing employees, to recall or rehire former employees, and to hire new employees, in order to provide early childhood, elementary or secondary educational and related services.

**Springboro Community City School District
Fund Descriptions**

Nonmajor Special Revenue Funds (Continued)

Title VI-B

A fund used to account for programs to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels.

Title II-D

A fund used 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.

Title I

A fund used 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.

Title V

A fund to account for monies used to assist State and local educational agencies in the reform of elementary and secondary education. Funds may be used for various materials, technology, and projects implementing school improvement and parental involvement activities authorized under ESEA, Title I. This program is subject to non-supplanting requirements and must use a restricted indirect cost rate which is referenced under 34 CFR 76.564-76.569. This fund was not budgeted for fiscal year 2012 and therefore a budgetary schedule was not presented.

Drug-Free School

A fund to provide monies to local educational agencies and consortia of these agencies to establish, operate and improve local programs of drug abuse prevention, early intervention, rehabilitation referral and education in elementary and secondary schools, and to engage in development, training, technical assistance and coordination activities.

Preschool-Handicapped

A fund to account for programs that address the improvement and expansion of services for handicapped children ages three through five years.

Improving Teacher Quality

A fund to help schools improve student achievement by adding additional teachers in grades 1-3.

Nonmajor Capital Projects Funds

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital assets or facilities, such as new school buildings or additions to existing buildings, and for major renovation projects, other than those financed by proprietary funds or trust funds.

Permanent Improvement

To account for the acquisition, construction or improvement of capital facilities other than those financed by proprietary funds.

Building

A fund used to account for monies received from the sale of School Improvement Bonds and proceeds from capital leases for school construction and renovation purposes.

**Springboro Community City School District
Fund Descriptions**

Funds Reported Separately for Budgetary Purposes

The following funds have been combined with the General Fund for reporting in accordance with accounting principles generally accepted in the United States of America. However, their budgets are reported separately in this section for accountability purposes.

Uniform School Supplies

A fund used to account for the purchase and sale of school supplies as adopted by the Board of Education for use in the schools of the district. Profit derived from such sale is to be used for school purposes or activities in connection with the school.

Public School Support

A fund used to account for the specific local revenue sources (i.e. profits from vending machines, sales of pictures, etc.) that are restricted to expenditures for specified purposes approved by the board resolution. Such expenditures may include curricular and extra-curricular related purchases.

Special Enterprise

A fund used to report any activity for which a fee is charged to external users for goods or services. This fund can also account for any activity where debt is backed solely by fees and charges, there is a legal requirement to recover costs, or the school board has decided to recover costs.

Rotary

A fund used to account for operations that provide goods or services to other governmental unites on a cost-reimbursement basis.

Employee Benefits

A fund used to account for monies received from other funds as payment for providing medical, hospitalization, life, dental, vision, or any other similar employee benefits.

Springboro Community City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
<i>Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$765,232	\$218,514	\$ 983,746
Accounts Receivable	20,619	-	20,619
Intergovernmental Receivable	163,903	-	163,903
Cash and Cash Equivalents with Escrow Agents	-	398,066	398,066
	<u> </u>	<u> </u>	<u> </u>
<i>Total Assets</i>	<u>949,754</u>	<u>616,580</u>	<u>1,566,334</u>
<i>Liabilities and Fund Balances:</i>			
<i>Liabilities</i>			
Accounts Payable	\$22,489	1,150	23,639
Accrued Wages and Benefits	100,846	-	100,846
Interfund Payable	35,361	-	35,361
Intergovernmental Payable	27,392	-	27,392
Deferred Revenue	66,543	-	66,543
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities</i>	<u>252,631</u>	<u>1,150</u>	<u>253,781</u>
<i>Fund Balances:</i>			
Restriced for Special Revenue	701,918	-	701,918
Restriced for Capital Outlay	-	615,430	615,430
Unassigned	(4,795)	-	(4,795)
	<u> </u>	<u> </u>	<u> </u>
<i>Total Fund Balances</i>	<u>697,123</u>	<u>615,430</u>	<u>1,312,553</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 949,754</u>	<u>\$ 616,580</u>	<u>\$ 1,566,334</u>

Springboro Community City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2012

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
<i>Revenues:</i>			
Intergovernmental	\$1,903,618	\$ -	\$ 1,903,618
Investment Earnings	-	16,348	16,348
Extracurricular Activities	325,917	-	325,917
Gifts and Donations	23,553	-	23,553
Customer Sales and Services	1,155,623	-	1,155,623
Rent	13,577	-	13,577
Miscellaneous	49,052	-	49,052
	<u>3,471,340</u>	<u>16,348</u>	<u>3,487,688</u>
<i>Total Revenues</i>			
<i>Expenditures:</i>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	608,472	-	608,472
Special	594,903	-	594,903
<i>Support Services:</i>			
Pupils	210,513	-	210,513
Instructional Staff	116,144	-	116,144
Administration	79,920	-	79,920
Operation and Maintenance of Plant	5,487	-	5,487
Pupil Transportation	1,467	-	1,467
Operation of Non-Instructional Services	1,219,477	-	1,219,477
Extracurricular Activities	382,569	-	382,569
Capital Outlay	-	849,675	849,675
	<u>3,218,952</u>	<u>849,675</u>	<u>4,068,627</u>
<i>Total Expenditures</i>			
<i>Net Change in Fund Balances</i>	252,388	(833,327)	(580,939)
<i>Fund Balances at Beginning of Year</i>	<u>444,735</u>	<u>1,448,757</u>	<u>1,893,492</u>
<i>Fund Balances at End of Year</i>	<u>\$ 697,123</u>	<u>\$ 615,430</u>	<u>\$ 1,312,553</u>

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Springboro Community City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012

	Food Service	Other Grants	District Managed Activities	Auxiliary Services
<i>Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$520,796	\$740	\$136,416	\$50,885
Accounts Receivable	0	0	20,619	0
Intergovernmental Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$520,796</u>	<u>\$740</u>	<u>\$157,035</u>	<u>\$50,885</u>
 <i>Liabilities and Fund Balances:</i>				
<i>Liabilities</i>				
Accounts Payable	\$1,412	\$0	\$4,123	\$231
Accrued Wages and Benefits	98,741	0	2,105	0
Interfund Payable	0	0	0	1,918
Intergovernmental Payable	27,392	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>127,545</u>	<u>0</u>	<u>6,228</u>	<u>2,149</u>
 <i>Fund Balances:</i>				
Restricted				
Restricted for Food Service	393,251	0	0	0
Restricted for Extracurricular Activities	0	0	150,807	0
Restricted for Non-public Schools	0	0	0	48,736
Restricted for State Programs	0	0	0	0
Restricted for Federal Programs	0	0	0	0
Restricted for Other	0	740	0	0
Unassigned	0	0	0	0
<i>Total Fund Balances</i>	<u>393,251</u>	<u>740</u>	<u>150,807</u>	<u>48,736</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$520,796</u>	<u>\$740</u>	<u>\$157,035</u>	<u>\$50,885</u>

Education Management Information Systems	Onenet	Vocational Education Enhancement	Miscellaneous State Grants	Title VI-B
\$0	\$0	\$6,801	\$202	\$30,765
0	0	0	0	0
0	0	1,920	0	84,987
<u>\$0</u>	<u>\$0</u>	<u>\$8,721</u>	<u>\$202</u>	<u>\$115,752</u>
\$0	\$214	\$0	\$0	\$1,758
0	0	0	0	0
403	0	1,790	0	13,131
0	0	0	0	0
0	0	1,920	0	0
<u>403</u>	<u>214</u>	<u>3,710</u>	<u>0</u>	<u>14,889</u>
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	5,011	202	0
0	0	0	0	100,863
0	0	0	0	0
<u>(403)</u>	<u>(214)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(403)</u>	<u>(214)</u>	<u>5,011</u>	<u>202</u>	<u>100,863</u>
<u>\$0</u>	<u>\$0</u>	<u>\$8,721</u>	<u>\$202</u>	<u>\$115,752</u>

(Continued)

Springboro Community City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012

	Title II-D	Title I	Title V	Drug Free School
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$499	\$811	\$0	\$0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	618	33,468	0	0
<i>Total Assets</i>	<u>\$1,117</u>	<u>\$34,279</u>	<u>\$0</u>	<u>\$0</u>
Liabilities and Fund Balances:				
Liabilities				
Accounts Payable	\$1,098	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0	0
Interfund Payable	431	4,055	3,766	0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	0	30,222	0	0
<i>Total Liabilities</i>	<u>1,529</u>	<u>34,277</u>	<u>3,766</u>	<u>0</u>
Fund Balances:				
Restricted				
Restricted for Food Service	0	0	0	0
Restricted for Extracurricular Activities	0	0	0	0
Restricted for Non-public Schools	0	0	0	0
Restricted for State Programs	0	0	0	0
Restricted for Federal Programs	0	2	0	0
Restricted for Other	0	0	0	0
Unassigned	(412)	0	(3,766)	0
<i>Total Fund Balances</i>	<u>(412)</u>	<u>2</u>	<u>(3,766)</u>	<u>0</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,117</u>	<u>\$34,279</u>	<u>\$0</u>	<u>\$0</u>

<u>Preschool - Handicapped</u>	<u>Improving Teacher Quality</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$8	\$17,309	\$765,232
0	0	20,619
<u>2,018</u>	<u>40,892</u>	<u>163,903</u>
<u>\$2,026</u>	<u>\$58,201</u>	<u>\$949,754</u>
\$0	\$13,653	\$22,489
0	0	100,846
0	9,867	35,361
0	0	27,392
<u>0</u>	<u>34,401</u>	<u>66,543</u>
<u>0</u>	<u>57,921</u>	<u>252,631</u>
0	0	393,251
0	0	150,807
0	0	48,736
0	0	5,213
2,026	280	103,171
0	0	740
<u>0</u>	<u>0</u>	<u>(4,795)</u>
<u>2,026</u>	<u>280</u>	<u>697,123</u>
<u>\$2,026</u>	<u>\$58,201</u>	<u>\$949,754</u>

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

	Food Service	Other Grants	District Managed Activities
Revenues:			
Intergovernmental	\$208,605	\$17,980	0
Rent	0	0	13,577
Extracurricular Activities	0	0	325,917
Gifts and Donations	0	0	23,553
Customer Sales and Services	1,155,623	0	0
Miscellaneous	0	0	40,627
<i>Total Revenues</i>	<u>1,364,228</u>	<u>17,980</u>	<u>403,674</u>
Expenditures:			
Current:			
Instruction:			
Regular	0	7,996	0
Special	0	0	0
Support Services:			
Pupils	0	10,187	0
Instructional Staff	0	0	0
Administration	0	0	0
Operation and Maintenance of Plant	1,412	0	0
Pupil Transportation	0	62	0
Operation of Non-Instructional Services	1,170,712	0	0
Extracurricular Activities	0	0	382,569
<i>Total Expenditures</i>	<u>1,172,124</u>	<u>18,245</u>	<u>382,569</u>
<i>Net Change in Fund Balances</i>	192,104	(265)	21,105
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>201,147</u>	<u>1,005</u>	<u>129,702</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$393,251</u></u>	<u><u>\$740</u></u>	<u><u>\$150,807</u></u>

Auxiliary Services	Education Management Information Systems	Onenet	Vocational Education Enhancement
\$70,998	\$0	\$14,400	\$6,447
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
<u>70,998</u>	<u>0</u>	<u>14,400</u>	<u>6,447</u>
0	0	0	2,194
0	0	0	0
0	0	0	0
0	0	14,614	1,067
0	0	0	0
0	0	0	0
0	0	0	0
47,841	0	0	0
0	0	0	0
<u>47,841</u>	<u>0</u>	<u>14,614</u>	<u>3,261</u>
23,157	0	(214)	3,186
<u>25,579</u>	<u>(403)</u>	<u>0</u>	<u>1,825</u>
<u>\$48,736</u>	<u>(\$403)</u>	<u>(\$214)</u>	<u>\$5,011</u>

(Continued)

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

	Miscellaneous State Grants	Education Jobs	Title VI-B
Revenues:			
Intergovernmental	\$0	\$590,951	\$805,187
Rent	0	0	0
Extracurricular Activities	0	0	0
Gifts and Donations	0	0	0
Customer Sales and Services	0	0	0
Miscellaneous	8,425	0	0
<i>Total Revenues</i>	<u>8,425</u>	<u>590,951</u>	<u>805,187</u>
Expenditures:			
Current:			
Instruction:			
Regular	0	590,951	907
Special	0	0	487,704
Support Services:			
Pupils	124	0	179,962
Instructional Staff	0	0	9,434
Administration	0	0	79,920
Operation and Maintenance of Plant	0	0	0
Pupil Transportation	0	0	1,405
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
<i>Total Expenditures</i>	<u>124</u>	<u>590,951</u>	<u>759,332</u>
<i>Net Change in Fund Balances</i>	8,301	0	45,855
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>(8,099)</u>	<u>0</u>	<u>55,008</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$202</u></u>	<u><u>\$0</u></u>	<u><u>\$100,863</u></u>

<u>Title II-D</u>	<u>Title I</u>	<u>Title V</u>	<u>Drug Free School</u>
\$686	\$103,157	\$0	\$10,004
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
<u>686</u>	<u>103,157</u>	<u>0</u>	<u>10,004</u>
499	0	0	5,925
599	106,600	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	4,075
0	0	0	0
0	0	0	0
0	0	0	0
<u>1,098</u>	<u>106,600</u>	<u>0</u>	<u>10,000</u>
(412)	(3,443)	0	4
<u>0</u>	<u>3,445</u>	<u>(3,766)</u>	<u>(4)</u>
<u>(\$412)</u>	<u>\$2</u>	<u>(\$3,766)</u>	<u>\$0</u>

(Continued)

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

	Preschool - Handicapped	Improving Teacher Quality	Total Nonmajor Special Revenue Funds
Revenues:			
Intergovernmental	\$22,258	\$52,945	\$1,903,618
Rent	0	0	13,577
Extracurricular Activities	0	0	325,917
Gifts and Donations	0	0	23,553
Customer Sales and Services	0	0	1,155,623
Miscellaneous	0	0	49,052
<i>Total Revenues</i>	<u>22,258</u>	<u>52,945</u>	<u>3,471,340</u>
Expenditures:			
Current:			
Instruction:			
Regular	0	0	608,472
Special	0	0	594,903
Support Services:			
Pupils	20,240	0	210,513
Instructional Staff	0	91,029	116,144
Administration	0	0	79,920
Operation and Maintenance of Plant	0	0	5,487
Pupil Transportation	0	0	1,467
Operation of Non-Instructional Services	0	924	1,219,477
Extracurricular Activities	0	0	382,569
<i>Total Expenditures</i>	<u>20,240</u>	<u>91,953</u>	<u>3,218,952</u>
<i>Net Change in Fund Balances</i>	2,018	(39,008)	252,388
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>8</u>	<u>39,288</u>	<u>444,735</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$2,026</u></u>	<u><u>\$280</u></u>	<u><u>\$697,123</u></u>

Springboro Community City School District
Combining Balance Sheet
Nonmajor Capital Project Funds
June 30, 2012

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
<i>Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$133,523	\$84,991	\$218,514
Cash and Cash Equivalents with Escrow Agents	0	398,066	398,066
<i>Total Assets</i>	<u>\$133,523</u>	<u>\$483,057</u>	<u>\$616,580</u>
 <i>Liabilities and Fund Balances:</i>			
<i>Liabilities:</i>			
Accounts Payable	0	1,150	1,150
<i>Total Liabilities</i>	0	1,150	1,150
 <i>Fund Balances:</i>			
Restricted for Capital Outlay	133,523	481,907	615,430
<i>Total Fund Balances</i>	133,523	481,907	615,430
<i>Total Liabilities and Fund Balances</i>	<u>\$133,523</u>	<u>\$483,057</u>	<u>\$616,580</u>

Springboro Community City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Project Funds
For the Fiscal Year Ended June 30, 2012

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
<i>Revenues:</i>			
Investment Earnings	\$0	\$16,348	\$16,348
<i>Total Revenues</i>	<u>0</u>	<u>16,348</u>	<u>16,348</u>
<i>Expenditures:</i>			
Current:			
Capital Outlay	0	849,675	849,675
<i>Total Expenditures</i>	<u>0</u>	<u>849,675</u>	<u>849,675</u>
<i>Net Change in Fund Balances</i>	0	(833,327)	(833,327)
<i>Fund Balances at Beginning of Year</i>	<u>133,523</u>	<u>1,315,234</u>	<u>1,448,757</u>
<i>Fund Balances at End of Year</i>	<u><u>\$133,523</u></u>	<u><u>\$481,907</u></u>	<u><u>\$615,430</u></u>

**Springboro Community City School District
Fund Descriptions**

Fiduciary Funds

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

Student Activities Fund

A fund provided to account for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer, and faculty advisor.

Springboro Community City School District

**Statement of Changes in
Assets and Liabilities
Agency Funds**

Year Ended June 30, 2012

	<u>Balance 07/01/11</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 06/30/12</u>
STUDENT ACTIVITIES				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$148,296</u>	<u>\$270,402</u>	<u>\$245,073</u>	<u>\$173,625</u>
Total Assets	<u><u>\$148,296</u></u>	<u><u>\$270,402</u></u>	<u><u>\$245,073</u></u>	<u><u>\$173,625</u></u>
Liabilities				
Undistributed Monies	<u>\$148,296</u>	<u>\$270,402</u>	<u>\$245,073</u>	<u>\$173,625</u>
Total Liabilities	<u><u>\$148,296</u></u>	<u><u>\$270,402</u></u>	<u><u>\$245,073</u></u>	<u><u>\$173,625</u></u>

**Individual Fund Schedules
of Revenues, Expenditures
and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis)
and Actual**

Springboro Community City School District
Schedule 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: Positive (Negative)
	Original	Final		
Debt Service Fund				
Total Revenues and Other Sources	\$6,100,000	\$6,172,214	\$6,172,214	\$0
Total Expenditures and Other Uses	<u>7,095,128</u>	<u>6,698,006</u>	<u>6,698,006</u>	<u>0</u>
Net Change in Fund Balance	(995,128)	(525,792)	(525,792)	0
Fund Balance, July 1	<u>4,411,929</u>	<u>4,411,929</u>	<u>4,411,929</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$3,416,801</u></u>	<u><u>\$3,886,137</u></u>	<u><u>\$3,886,137</u></u>	<u><u>\$0</u></u>

Springboro Community City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget: Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Food Service Fund				
Total Revenues and Other Sources	\$1,277,500	\$1,264,228	\$1,364,228	\$100,000
Total Expenditures and Other Uses	<u>1,291,669</u>	<u>1,189,707</u>	<u>1,189,707</u>	<u>0</u>
Net Change in Fund Balance	(14,169)	74,521	174,521	100,000
Fund Balance, July 1	324,501	324,501	324,501	0
Prior Year Encumbrances Appropriated	<u>1,492</u>	<u>1,492</u>	<u>1,492</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$311,824</u></u>	<u><u>\$400,514</u></u>	<u><u>\$500,514</u></u>	<u><u>\$100,000</u></u>
Other Grants Fund				
Total Revenues and Other Sources	\$0	\$17,980	\$17,980	\$0
Total Expenditures and Other Uses	<u>1,005</u>	<u>18,246</u>	<u>18,246</u>	<u>0</u>
Net Change in Fund Balance	(1,005)	(266)	(266)	0
Fund Balance, July 1	<u>1,005</u>	<u>1,005</u>	<u>1,005</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$739</u></u>	<u><u>\$739</u></u>	<u><u>\$0</u></u>
District Managed Activities Fund				
Total Revenues and Other Sources	\$423,100	\$383,053	\$383,053	\$0
Total Expenditures and Other Uses	<u>397,210</u>	<u>410,005</u>	<u>410,005</u>	<u>0</u>
Net Change in Fund Balance	25,890	(26,952)	(26,952)	0
Fund Balance, July 1	98,892	98,892	98,892	0
Prior Year Encumbrances Appropriated	<u>31,360</u>	<u>31,360</u>	<u>31,360</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$156,142</u></u>	<u><u>\$103,300</u></u>	<u><u>\$103,300</u></u>	<u><u>\$0</u></u>

Springboro Community City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget: Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Auxiliary Services Fund				
Total Revenues and Other Sources	\$50,000	\$70,998	\$70,998	\$0
Total Expenditures and Other Uses	<u>63,281</u>	<u>51,967</u>	<u>51,967</u>	<u>0</u>
Net Change in Fund Balance	(13,281)	19,031	19,031	0
Fund Balance, July 1	20,016	20,016	20,016	0
Prior Year Encumbrances Appropriated	<u>10,447</u>	<u>10,447</u>	<u>10,447</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$17,182</u></u>	<u><u>\$49,494</u></u>	<u><u>\$49,494</u></u>	<u><u>\$0</u></u>
Education Management Information Systems Fund				
Total Revenues and Other Sources	\$9,000	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>9,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance, July 1	<u>0</u>	<u>0</u>	<u>0</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>
Onenet Fund				
Total Revenues and Other Sources	\$18,000	\$14,400	\$14,400	\$0
Total Expenditures and Other Uses	<u>17,474</u>	<u>14,400</u>	<u>14,400</u>	<u>0</u>
Net Change in Fund Balance	526	0	0	0
Fund Balance, July 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$526</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Springboro Community City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget: Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Vocational Education Enhancement Fund				
Total Revenues and Other Sources	\$19,569	\$9,254	\$9,254	\$0
Total Expenditures and Other Uses	21,146	10,951	10,951	0
Net Change in Fund Balance	(1,577)	(1,697)	(1,697)	0
Fund Balance, July 1	78	78	78	0
Prior Year Encumbrances Appropriated	1,839	1,839	1,839	0
Fund Balance, June 30	<u>\$340</u>	<u>\$220</u>	<u>\$220</u>	<u>\$0</u>
Miscellaneous State Grants Fund				
Total Revenues and Other Sources	\$7,030	\$7,030	\$7,030	\$0
Total Expenditures and Other Uses	7,030	6,828	6,828	0
Net Change in Fund Balance	0	202	202	0
Fund Balance, July 1	0	0	0	0
Fund Balance, June 30	<u>\$0</u>	<u>\$202</u>	<u>\$202</u>	<u>\$0</u>
Education Jobs Fund				
Total Revenues and Other Sources	\$575,504	\$590,951	\$590,951	\$0
Total Expenditures and Other Uses	575,504	590,951	590,951	0
Net Change in Fund Balance	0	0	0	0
Fund Balance, July 1	0	0	0	0
Fund Balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Springboro Community City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget: Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Title VI-B Fund				
Total Revenues and Other Sources	\$856,099	\$783,883	\$783,883	\$0
Total Expenditures and Other Uses	863,912	771,796	771,796	0
Net Change in Fund Balance	(7,813)	12,087	12,087	0
Fund Balance, July 1	6,887	6,887	6,887	0
Prior Year Encumbrances Appropriated	6,720	6,720	6,720	0
Fund Balance, June 30	<u>\$5,794</u>	<u>\$25,694</u>	<u>\$25,694</u>	<u>\$0</u>
Title II - D Fund				
Total Revenues and Other Sources	\$77	\$576	\$576	\$0
Total Expenditures and Other Uses	77	576	576	0
Net Change in Fund Balance	0	0	0	0
Fund Balance, July 1	0	0	0	0
Fund Balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Title I Fund				
Total Revenues and Other Sources	\$140,879	\$110,602	\$110,602	\$0
Total Expenditures and Other Uses	147,316	117,375	117,375	0
Net Change in Fund Balance	(6,437)	(6,773)	(6,773)	0
Fund Balance, July 1	84	84	84	0
Prior Year Encumbrances Appropriated	6,689	6,689	6,689	0
Fund Balance, June 30	<u>\$336</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Springboro Community City School District
Schedule 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: Positive (Negative)
	Original	Final		
Drug-Free School Fund				
Total Revenues and Other Sources	\$10,422	\$10,421	\$10,421	\$0
Total Expenditures and Other Uses	<u>12,894</u>	<u>12,893</u>	<u>12,893</u>	<u>0</u>
Net Change in Fund Balance	(2,472)	(2,472)	(2,472)	0
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	<u>2,472</u>	<u>2,472</u>	<u>2,472</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>
Preschool-Handicapped Fund				
Total Revenues and Other Sources	\$27,758	\$25,740	\$25,740	\$0
Total Expenditures and Other Uses	<u>31,523</u>	<u>29,499</u>	<u>29,499</u>	<u>0</u>
Net Change in Fund Balance	(3,765)	(3,759)	(3,759)	0
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	<u>3,765</u>	<u>3,765</u>	<u>3,765</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$6</u></u>	<u><u>\$6</u></u>	<u><u>\$0</u></u>
Improving Teacher Quality Fund				
Total Revenues and Other Sources	\$146,067	\$117,897	\$117,897	\$0
Total Expenditures and Other Uses	<u>185,486</u>	<u>158,682</u>	<u>158,682</u>	<u>0</u>
Net Change in Fund Balance	(39,419)	(40,785)	(40,785)	0
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	<u>40,785</u>	<u>40,785</u>	<u>40,785</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$1,366</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Springboro Community City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget: Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Permanent Improvement Fund				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>133,523</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(133,523)	0	0	0
Fund Balance, July 1	<u>133,523</u>	<u>133,523</u>	<u>133,523</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$133,523</u></u>	<u><u>\$133,523</u></u>	<u><u>\$0</u></u>
Building Fund				
Total Revenues and Other Sources	\$1,278,499	\$888,242	\$888,242	\$0
Total Expenditures and Other Uses	<u>1,291,719</u>	<u>890,975</u>	<u>890,975</u>	<u>0</u>
Net Change in Fund Balance	(13,220)	(2,733)	(2,733)	0
Fund Balance, July 1	43,198	43,198	43,198	0
Prior Year Encumbrances Appropriated	<u>2,075</u>	<u>2,075</u>	<u>2,075</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$32,053</u></u>	<u><u>\$42,540</u></u>	<u><u>\$42,540</u></u>	<u><u>\$0</u></u>

Springboro Community City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget: Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Uniform School Supplies Fund				
Total Revenues and Other Sources	\$396,600	\$378,638	\$378,638	\$0
Total Expenditures and Other Uses	<u>574,175</u>	<u>492,728</u>	<u>492,728</u>	<u>0</u>
Net Change in Fund Balance	(177,575)	(114,090)	(114,090)	0
Fund Balance, July 1	187,861	187,861	187,861	0
Prior Year Encumbrances Appropriated	<u>1,175</u>	<u>1,175</u>	<u>1,175</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$11,461</u></u>	<u><u>\$74,946</u></u>	<u><u>\$74,946</u></u>	<u><u>\$0</u></u>
Public School Support Fund				
Total Revenues and Other Sources	\$500,300	\$393,758	\$393,758	\$0
Total Expenditures and Other Uses	<u>776,098</u>	<u>538,951</u>	<u>538,951</u>	<u>0</u>
Net Change in Fund Balance	(275,798)	(145,193)	(145,193)	0
Fund Balance, July 1	344,996	344,996	344,996	0
Prior Year Encumbrances Appropriated	<u>12,748</u>	<u>12,748</u>	<u>12,748</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$81,946</u></u>	<u><u>\$212,551</u></u>	<u><u>\$212,551</u></u>	<u><u>\$0</u></u>
Special Enterprise Fund				
Total Revenues and Other Sources	\$900,000	\$855,063	\$855,063	\$0
Total Expenditures and Other Uses	<u>866,990</u>	<u>855,063</u>	<u>855,063</u>	<u>0</u>
Net Change in Fund Balance	33,010	0	0	0
Fund Balance, July 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$33,010</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Springboro Community City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget: Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Rotary Fund				
Total Revenues and Other Sources	\$6,500	\$7,318	\$7,318	\$0
Total Expenditures and Other Uses	<u>6,200</u>	<u>7,318</u>	<u>7,318</u>	<u>0</u>
Net Change in Fund Balance	300	0	0	0
Fund Balance, July 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$300</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
Employee Benefits Fund				
Total Revenues and Other Sources	\$110,000	\$35,531	\$35,531	\$0
Total Expenditures and Other Uses	<u>216,407</u>	<u>34,776</u>	<u>34,776</u>	<u>0</u>
Net Change in Fund Balance	(106,407)	755	755	0
Fund Balance, July 1	<u>114,407</u>	<u>114,407</u>	<u>114,407</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$8,000</u></u>	<u><u>\$115,162</u></u>	<u><u>\$115,162</u></u>	<u><u>\$0</u></u>

SPRINGBORO COMMUNITY CITY SCHOOL DISTRICT



STATISTICAL SECTION

STATISTICAL TABLES

This part of Springboro Community City School District's comprehensive annual financial report presents detailed information as a basis for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the School District's overall financial health.

CONTENTS	PAGES
Financial Trends	S-1 to S-7
These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	
Revenue Capacity	S-8 to S-13
These schedules contain information to help the reader assess the School District's most significant local revenue sources.	
Debt Capacity	S-14 to S-20
These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	
Demographic and Economic Information	S-21 to S-22
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating information	S-23 to S-29
These schedules contain service and capital asset data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the financial statements for the relevant year. The School District implemented GASB Statement No. 34 during fiscal year 2003. Fiscal year 2007 was the School District's first year implementation of the GASB 44 statistical tables.

Springboro Community City School District
Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)
 Governmental Activities

	2003	2004	2005	2006*	2007	2008	2009	2010	2011	2012
Invested in Capital Assets,										
Net of Related Debt	(\$362,854)	(\$61,515,030)	(\$4,938,955)	\$215,837	(\$4,635,547)	(5,847,867)	N/A	N/A	(5,455,821)	(6,558,009)
Restricted for:										
Capital Projects	112,247	60,813,940	0	0	200,124	228,225	N/A	N/A	753,057	615,430
Debt Service	1,185,783	978,349	2,150,978	2,890,902	4,396,587	4,788,900	N/A	N/A	4,499,843	4,339,160
Other Purposes	692,649	379,927	514,587	444,697	243,401	754,873	N/A	N/A	362,148	670,170
Unrestricted (Deficit)	(1,450,403)	(3,966,349)	(2,654,105)	(2,143,709)	(1,491,132)	(1,954,206)	N/A	N/A	1,369,004	4,354,868
Total Net Assets	\$177,422	(\$3,309,163)	(\$4,927,495)	\$1,407,727	(\$1,286,567)	(\$2,030,075)	\$0	\$0	\$1,528,231	\$3,421,619

Source: School District Financial Records.

* Amount Restated due to reclassification of funds.

N/A - The School District reported on the cash basis of accounting.

Springboro Community City School District
Changes in Net Assets of Governmental Activities
Last Ten Fiscal Years
(accrual basis of accounting)
 Governmental Activities

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Regular Instruction	\$14,862,510	\$16,204,860	\$16,333,041	\$15,274,868	\$21,740,523	\$22,647,567	N/A	N/A	\$23,526,860	\$22,006,369
Special Instruction	1,685,723	1,765,986	2,174,697	2,152,937	2,897,623	3,209,069	N/A	N/A	4,806,728	4,045,239
Vocational Instruction	245,607	111,151	96,083	153,485	28,666	97,847	N/A	N/A	86,256	299
Other	119,489	198,926	351,680	91,268	306,679	321,652	N/A	N/A	471,099	636,380
Pupil Support	1,332,355	1,566,009	1,748,915	2,351,360	2,911,356	3,197,775	N/A	N/A	3,087,792	2,320,559
Instructional Staff Support	1,778,749	2,297,840	2,545,738	2,327,027	3,856,005	3,270,018	N/A	N/A	3,298,065	3,397,699
Board of Education	118,078	147,308	147,778	123,869	135,247	154,772	N/A	N/A	172,409	213,068
Administration	1,946,770	1,949,871	1,977,435	1,933,157	3,243,047	3,460,405	N/A	N/A	3,008,089	3,262,221
Fiscal	742,409	733,718	851,117	904,780	1,132,192	1,146,577	N/A	N/A	980,970	915,344
Business	115,296	153,541	109,650	112,355	184,321	184,760	N/A	N/A	245,454	252,618
Operation and Maintenance of Plant	2,079,986	1,874,802	2,689,833	2,918,247	4,597,282	4,816,373	N/A	N/A	5,047,273	4,842,480
Pupil Transportation	2,051,344	2,232,970	2,514,956	2,251,166	4,874,719	3,066,648	N/A	N/A	3,228,752	2,857,030
Central	237,081	294,238	101,522	151,518	267,334	206,225	N/A	N/A	230,242	250,137
Operation of Non-Instructional Services	1,498,791	1,205,159	1,287,512	1,121,488	2,473,950	1,378,643	N/A	N/A	1,387,659	1,297,250
Extracurricular Activities	837,981	941,997	1,118,062	1,012,247	1,065,237	1,068,926	N/A	N/A	1,188,838	1,305,156
Interest and Fiscal Charges	1,758,508	1,858,151	5,479,224	4,656,041	4,045,443	5,233,160	N/A	N/A	5,000,270	3,989,213
Total Expenses	\$31,410,677	\$33,436,527	\$39,527,243	\$37,535,813	\$53,759,624	\$53,460,417	\$0	\$0	\$55,766,756	\$51,591,062
Program Revenues										
Regular Instruction	\$316,974	\$304,218	\$81,973	\$75,702	\$95,776	\$115,745	N/A	N/A	\$1,059,492	\$986,326
Special	5,310	134,559	48,335	45,463	56,437	59,193	N/A	N/A	209,491	175,620
Vocational	885	310	279	65	65	248	N/A	N/A	4,341	15
Other	443	542	676	285	692	817	N/A	N/A	21,811	32,047
Pupils	32,326	32,525	9,484	21,442	20,404	38,899	N/A	N/A	142,020	105,828
Instructional Staff	44,487	131,779	40,245	43,596	60,647	65,741	N/A	N/A	149,199	157,737
Board of Education	443	1,804	644	231	305	393	N/A	N/A	8,676	10,717
Administration	14,078	26,523	5,681	6,514	9,104	12,161	N/A	N/A	138,698	158,052
Fiscal	2,478	3,353	1,444	1,430	2,203	2,650	N/A	N/A	44,817	43,166
Business	354	387	196	275	416	492	N/A	N/A	12,250	12,642
Operation and Maintenance of Plant	11,339	42,297	6,080	5,611	17,185	12,499	N/A	N/A	165,522	193,008
Pupil Transportation	6,903	6,118	4,643	4,845	10,564	8,079	N/A	N/A	149,551	132,449
Central	708	9,277	4,058	2,340	2,394	524	N/A	N/A	11,262	12,523
Operation of Non-Instructional Services	645,623	611,430	912,431	995,632	1,248,347	1,200,667	N/A	N/A	1,089,366	1,161,803
Extracurricular Activities	266,357	199,893	590,695	924,905	512,489	504,813	N/A	N/A	339,347	367,186
Interest & Fiscal Charges	-	1,417	457	479	624	787	N/A	N/A	41,260	40,288
Total Charges for Services	\$1,348,708	\$1,506,432	\$1,707,227	\$2,129,029	\$2,037,652	\$2,023,708	\$0	\$0	\$3,587,103	\$3,589,407

Source: School District Financial Records.

- (1) The increase to property taxes levied for debt service for the fiscal years 2006 and 2007 is due to the District passing a new operating levy.
- (2) The increase to investment earnings for the fiscal years 2005 and 2006 is due to the additional cash for construction.

N/A - The School District reported on the cash basis of accounting.

(continued)

Springboro Community City School District
Changes in Net Assets of Governmental Activities
Last Ten Fiscal Years
(accrual basis of accounting)
 Governmental Activities

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Operating Grants and Contributions										
Regular Instruction	\$86,368	\$191,160	\$218,869	\$177,945	\$189,522	\$200,082	N/A	N/A	\$40,901	\$376,817
Special Instruction	434,898	515,993	641,901	690,849	757,089	785,732	N/A	N/A	390,246	368,414
Other	5,158	-	-	-	-	-	N/A	N/A	23,277	-
Pupil Support	49,101	20,336	25,415	1,019,447	51,587	94,750	N/A	N/A	146,676	130,367
Instructional Support	298,884	90,496	146,300	145,123	184,734	177,257	N/A	N/A	93,093	71,926
Board of Education	2,500	1,017	1,487	-	-	-	N/A	N/A	-	-
Administration	2,708	15,252	7,919	9,350	10,538	14,025	N/A	N/A	45,613	49,493
Fiscal	-	7,290	4,959	11,727	21,422	-	N/A	N/A	-	-
Business	-	-	-	-	-	76	N/A	N/A	12,448	-
Operation and Maintenance of Plant	27,790	24,404	4,110	1,628	5,796	1,229	N/A	N/A	522,131	3,398
Pupil Transportation	791,248	887,381	953,436	959	1,205	2,294	N/A	N/A	120,836	100,604
Central	14,784	6,101	15,926	7,686	6,653	-	N/A	N/A	3,084	-
Operation of Non-Instructional Services	609,691	430,109	541,282	531,382	609,240	524,264	N/A	N/A	780,771	738,500
Extracurricular Activities	23,791	142,353	193,421	220,220	167,334	171,333	N/A	N/A	198,953	236,919
Interest and Fiscal Charges	0	267,484	331,020	433,856	-	-	N/A	N/A	-	-
Total Operating Grants and Contributions	2,346,921	2,599,376	3,086,045	3,250,172	2,005,120	1,971,042	-	-	2,378,029	2,076,438
Capital Grants and Contributions										
Regular Instruction	51,521	-	310	1,987	-	-	N/A	N/A	-	-
Instructional Support	-	405	1,056	140	-	-	N/A	N/A	-	-
Fiscal	-	-	3,969	1,119	-	-	N/A	N/A	-	-
Operation and Maintenance of Plant	-	13,875	-	9,195	-	-	N/A	N/A	-	-
Interest and Fiscal Charges	-	720	42,845	12,559	-	-	N/A	N/A	-	-
Total Capital Grants and Contributions	51,521	15,000	48,180	25,000	-	-	-	-	-	-
<i>Total Program Revenues</i>	3,747,150	4,120,808	4,841,452	5,404,201	4,042,772	3,994,750	-	-	5,965,132	5,665,845
Net Expense	(\$27,663,527)	(\$29,315,719)	(\$34,685,791)	(\$32,131,612)	(\$49,716,852)	(\$49,465,667)	\$	\$	(\$49,801,624)	(\$45,925,217)
General Revenues										
Property Taxes Levied for:										
General Purposes	\$14,103,015	\$12,883,388	\$15,178,960	\$19,211,459	\$22,908,807	25,623,944	N/A	N/A	27,530,283	27,143,048
Debt Service	2,186,687	1,845,970	3,851,161	6,300,864 (1)	8,194,389 (1)	6,533,549 (1)	N/A	N/A	5,568,934	5,381,300
Gifts and Donations not Restricted to Specific Programs	-	-	-	22,110	1,012	-	N/A	N/A	-	-
Grants, Entitlements and Contributions not Restricted to Specific Programs	10,821,674	10,894,303	11,615,074	12,449,018	14,691,174	15,225,896	N/A	N/A	15,227,204	14,575,481
Investment Earnings	75,118	45,702	1,758,679 (2)	1,488,313 (2)	714,658	888,839	N/A	N/A	11,867	39,049
Miscellaneous	236,638	245,964	669,566	455,117	512,518	449,931	N/A	N/A	909,063	679,727
Total General Revenues	27,423,132	25,915,327	33,073,440	39,926,881	47,022,558	48,722,159	-	-	49,247,351	47,818,605
Change in Net Assets	(240,395)	(3,400,392)	(1,612,351)	7,795,269	(2,694,294)	(743,508)	0	0	(554,273)	1,893,388

Springboro Community City School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011 (1)	2012
General Fund										
Reserved	\$1,927,087	\$928,024	\$542,405	\$2,417,044	\$1,157,067	\$1,304,744	N/A	N/A	\$0	\$0
Unreserved	(1,816,722)	(3,628,464)	(3,688,585)	751,343	(1,286,598)	(1,470,571)	N/A	N/A	0	0
Restricted	0	0	0	0	0	0	N/A	N/A	96,355	96,355
Assigned	0	0	0	0	0	0	N/A	N/A	783,734	591,509
Unassigned	0	0	0	0	0	0	N/A	N/A	4,036,049	5,208,423
Total General Fund	110,365	(2,700,440)	(3,146,180)	3,168,387	(129,531)	(165,827)	0	0	4,916,138	5,896,287
All Other Governmental Funds										
Reserved	379,243	5,845,888	41,453,387	6,183,300	961,987	836,417	N/A	N/A	0	0
Reported in:										
Special Revenue Funds	701,143	399,452	500,248	449,231	246,830	437,120	N/A	N/A	0	0
Debt Service Funds	760,625	813,249	2,013,360	2,596,777	5,423,478	5,139,353	N/A	N/A	0	0
Capital Projects Funds	(123,110)	55,094,315	6,414,813	(927,037)	(592,499)	9,088,234	N/A	N/A	0	0
Restricted	0	0	0	0	0	0	N/A	N/A	6,753,187	5,487,194
Assigned	0	0	0	0	0	0	N/A	N/A	0	0
Unassigned	0	0	0	0	0	0	N/A	N/A	(12,272)	(4,795)
Total All Other Governmental Funds	1,717,901	62,152,904	50,381,808	8,302,271	6,039,796	15,501,124	0	0	6,740,915	5,482,399
Total Governmental Funds	\$1,828,266	\$59,452,464	\$47,235,628	\$11,470,658	\$5,910,265	\$15,335,297	\$0	\$0	\$11,657,053	\$11,378,686

Source: School District Financial Records.
N/A - The School District reported on the cash basis of accounting.
(1) - The School District implemented GASB 54.



Springboro Community City School District
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2003	2004	2005	2006
Revenues				
Taxes	\$16,572,202	\$14,446,858	\$18,647,748	\$26,039,265
Intergovernmental	12,462,146	13,460,091	14,690,575	15,653,186
Investment Earnings	75,118	45,702	1,484,178	1,764,930
Tuition and Fees	351,696	359,981	381,965	405,502
Extracurricular Activities	370,823	451,107	541,644	863,708
Gifts and Donations	82,757	62,937	56,600	87,853
Customer Sales and Services	626,189	683,496	778,657	850,690
Rental	-	-	4,960	9,130
Miscellaneous	236,638	245,964	667,450	455,117
<i>Total Revenues</i>	<u>30,777,569</u>	<u>29,756,136</u>	<u>37,253,777</u>	<u>46,129,381</u>
Expenditures				
Current:				
Instruction:				
Regular	12,883,793	14,633,438	15,208,637	15,288,438
Special	1,696,229	1,745,837	2,125,397	2,137,866
Vocational	67,923	70,540	82,119	151,583
Other	119,489	198,977	351,680	91,268
Support Services:				
Pupils	1,319,238	1,532,486	1,731,589	2,321,336
Instructional Staff	1,759,790	2,242,805	2,543,128	2,277,830
Board of Education	118,088	147,289	148,127	125,664
Administration	1,919,879	1,904,060	1,980,201	1,919,273
Fiscal	711,160	745,897	847,257	909,953
Business	114,032	138,711	111,111	107,971
Operation and Maintenance of Plant	2,598,500	2,316,194	2,648,612	2,906,965
Pupil Transportation	1,941,638	2,177,397	2,465,153	2,372,020
Central	237,489	250,918	147,292	149,816
Operation of Non-Instructional Services	1,398,280	1,167,324	1,292,362	1,135,267
Extracurricular Activities	831,608	936,870	1,104,007	1,030,322
Capital Outlay	1,197,981	1,375,998	13,891,091	43,248,337
Debt Service:				
Principal	950,254	2,544,446	62,660,924	2,404,503
Interest and Fiscal Charges	1,561,128	1,644,669	4,883,605	4,338,289
Issuance Costs	-	-	900,668	-
<i>Total Expenditures</i>	<u>31,426,499</u>	<u>35,773,856</u>	<u>115,122,960</u>	<u>82,916,701</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(648,930)</u>	<u>(6,017,720)</u>	<u>(77,869,183)</u>	<u>(36,787,320)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	4,730	-	-	-
Proceeds from Sale of Notes	-	61,500,000	-	-
General Obligation/Refunding Bonds Issued	-	-	61,500,000	-
Premium on Bonds Issued	-	-	3,186,396	-
Proceeds from Capital Lease	142,345	2,157,662	971,932	1,234,670
Payments to Refunded Bond Escrow Agent	-	-	-	-
Transfers In	254,046	-	-	859,136
Transfers Out	(254,046)	-	-	(859,136)
<i>Total Other Financing Sources (Uses)</i>	<u>147,075</u>	<u>63,657,662</u>	<u>65,658,328</u>	<u>1,234,670</u>
<i>Net Change in Fund Balances</i>	<u>(\$501,855)</u>	<u>\$57,639,942</u>	<u>(\$12,210,855)</u>	<u>(\$35,552,650)</u>
Debt Service as a Percentage of				
Noncapital Expenditures (1)	8.31%	12.18%	67.61%	17.00%

(1) Calculation represents debt service expenditures divided by the product of the remaining balance of total expenditures minus capital asset additions.

N/A - The School District reported on the cash basis of accounting.

2007	2008	2009	2010	2011	2012
\$30,889,072	\$32,185,387	N/A	N/A	\$33,586,174	\$32,185,771
16,647,141	17,063,848	N/A	N/A	17,690,490	16,540,313
714,658	888,839	N/A	N/A	11,867	36,449
476,853	546,538	N/A	N/A	634,302	572,340
465,144	446,503	N/A	N/A	982,623	903,023
52,727	111,553	N/A	N/A	128,491	62,034
892,047	1,025,304	N/A	N/A	1,274,095	1,157,268
203,608	5,366	N/A	N/A	696,083	956,776
512,518	449,931	N/A	N/A	909,063	679,727
<u>50,853,768</u>	<u>52,723,269</u>	<u>0</u>	<u>0</u>	<u>55,913,188</u>	<u>53,093,701</u>
18,276,638	19,810,782	N/A	N/A	20,435,113	20,415,772
2,873,318	3,200,036	N/A	N/A	4,631,888	4,065,454
26,212	96,299	N/A	N/A	86,256	299
306,679	321,652	N/A	N/A	471,099	636,380
2,889,625	3,180,644	N/A	N/A	2,973,321	2,304,034
3,749,796	3,221,192	N/A	N/A	3,064,904	3,203,432
135,247	154,772	N/A	N/A	172,409	212,827
2,790,870	2,970,060	N/A	N/A	2,790,579	3,230,681
1,124,668	1,145,980	N/A	N/A	971,293	912,289
184,681	182,274	N/A	N/A	219,666	261,887
4,520,681	4,788,641	N/A	N/A	4,127,542	3,793,942
4,534,856	2,870,856	N/A	N/A	2,817,656	2,671,423
265,788	206,665	N/A	N/A	228,898	231,692
2,376,613	1,283,494	N/A	N/A	1,229,339	1,241,490
1,009,259	1,023,630	N/A	N/A	1,040,616	1,169,663
5,619,201	1,785,561	N/A	N/A	279,842	930,394
2,963,124	3,836,240	N/A	N/A	3,271,859	3,835,953
3,498,687	4,776,181	N/A	N/A	4,399,883	4,254,456
577,833	206,278	N/A	N/A	0	0
<u>57,723,776</u>	<u>55,061,237</u>	<u>0</u>	<u>0</u>	<u>53,212,163</u>	<u>53,372,068</u>
<u>(6,870,008)</u>	<u>(2,337,968)</u>	<u>0</u>	<u>0</u>	<u>2,701,025</u>	<u>(278,367)</u>
-	-	N/A	N/A	-	-
-	-	N/A	N/A	-	-
46,020,000	-	N/A	N/A	-	-
6,675,817	-	N/A	N/A	-	-
-	11,763,000	N/A	N/A	-	-
(52,117,984)	-	N/A	N/A	-	-
-	176,324	N/A	N/A	-	-
-	(176,324)	N/A	N/A	-	-
<u>577,833</u>	<u>11,763,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(\$6,292,175)</u>	<u>\$9,425,032</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,701,025</u>	<u>(\$278,367)</u>
13.51%	16.55%	N/A	N/A	14.52%	15.56%

Springboro Community City School District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
2003	\$484,328,440	\$30,855,800	\$1,471,954,971	\$26,717,040	\$30,360,273
2004	549,279,050	34,222,080	1,667,146,086	27,503,270	31,253,716
2005	588,129,690	38,496,590	1,790,360,800	30,451,610	34,604,102
2006	635,791,290	42,432,000	1,937,780,829	29,576,900	33,610,114
2007	763,930,020	57,081,370	2,345,746,829	29,625,580	33,665,432
2008	803,549,930	59,075,360	2,464,643,686	27,575,680	31,336,000
2009	854,794,750	61,511,880	2,618,018,943	31,491,010	35,785,239
2010	764,800,840	65,193,460	2,371,412,286	34,044,530	38,686,965
2011	773,107,300	74,642,060	2,422,141,029	59,647,115	67,780,810
2012	781,920,670	73,455,920	2,443,933,114	63,255,810	71,881,602

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax has been phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: Office of the County Auditor, Warren County, Ohio

(continued)

Tangible Personal Property		Total			Weighted Average Tax Rate
General Business		Assessed	Estimated	Ratio	
Assessed Value	Estimated Actual Value	Value	Value		
\$22,656,210	\$90,624,840	\$564,557,490	\$1,592,940,084	35.44%	\$50.91
23,073,800	92,295,200	634,078,200	1,790,695,002	35.41%	49.91
23,973,070	95,892,280	681,050,960	1,920,857,182	35.46%	55.76
18,289,481	73,157,924	726,089,671	2,044,548,867	35.51%	65.27
14,485,733	77,257,243	865,122,703	2,456,669,504	35.22%	62.86
7,654,125	61,233,000	897,855,095	2,557,212,686	35.11%	61.21
1,479,440	14,794,400 *	949,277,080	2,668,598,582	35.57%	59.46
972,470	19,449,400 *	865,011,300	2,429,548,651	35.60%	60.71
0	0	907,396,475	2,489,921,839	36.44%	60.71
0	0	918,632,400	2,515,814,716	36.51%	60.22

* Communication companies value @ 10% for TY2009 & 5% for TY2010

Springboro Community City School District
Property Tax Rates Direct and Overlapping Governments
(per \$1,000 of assessed value)
Last Ten Years

Calendar Year	District Direct Rate	Warren County	City of Springboro	Clearcreek Township	Overlapping Rates					Warren County Health District
					Joint Vocational School District	Warren-Clinton Community Mental Health	Turtlecreek Township	Franklin Township		
2002	50.91	4.96	1.11	16.97	4.50	1.00	5.62	3.62	0.50	
2003	49.91	6.53	1.11	16.97	4.50	1.00	5.62	3.62	0.50	
2004	55.76	6.46	1.11	16.97	4.50	1.00	5.62	3.62	0.50	
2005	65.27	6.46	1.11	16.97	4.50	1.00	5.62	3.62	0.50	
2006	62.86	6.71	1.11	16.97	4.50	1.00	5.62	3.62	0.50	
2007	61.21	6.71	1.11	16.97	4.50	1.00	5.62	3.87	0.50	
2008	59.46	5.21	1.11	16.97	4.50	1.00	9.12	3.87	0.50	
2009	60.71	5.78 *	1.11	16.97	4.50	1.00	9.12	3.87	0.50	
2010	60.71	5.78	1.11	16.97	4.50	1.00	9.12	3.87	0.50	
2011	60.22 (1)	7.78	1.11	16.97	4.50	1.00	9.12	3.87	0.50	

Source: County Auditor and Ohio Department of Taxation
* Starting in TY2009 Mary I Cook Library 1.00 (Dist 1) Franklin Public Library 1.00 (Dist 5,6,7) and Lebanon Public Library 1.00 (Dist 57)
(1) Allocation of the District Direct Rate is as follows:
General Fund - 5.31; 1976 Current Expense - 23.00; 1978 Current Expense - 3.50; 1985 Current Expense - 8.00; 1988 Current Expense - 3.40;
1995 Bond - 2.20; 2004 Bond - 4.60; 2008 Emergency - 10.21

Springboro Community City School District

Property Tax Levies and Collections

Last Ten Years

Collection Year	Current Tax Levy (1)	Current Tax Collections (1)	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)	Percent of Total Tax Collections to Current Tax Levy (2)
2003	\$16,625,450	\$16,245,548	97.71	\$415,507	\$16,661,055	100.21
2004	18,045,684	17,646,831	97.79	343,944	17,990,775	99.70
2005	15,186,393	14,524,317	95.64	384,140	14,908,457	98.17
2006	31,464,204	30,620,358	97.32	670,894	31,291,252	99.45
2007	33,967,049	32,850,972	96.71	874,626	33,725,598	99.29
*2008	34,449,888	33,361,531	96.84	1,162,016	34,523,547	100.21
*2009	34,302,231	33,320,166	97.14	1,020,060	34,340,226	100.11
*2010	33,794,099	32,832,878	97.16	1,237,960	34,070,838	100.82
*2011	37,794,355	35,562,216	94.09	850,676	36,412,892	96.34
*2012	37,639,547	36,856,029	97.92	2,299,501	39,155,530	104.03

Source: Office of the County Auditor, Warren County, Ohio

*Real Property Only

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.

(2) The reason that the total tax collections may exceed 100% in some years is because delinquent tax

Springboro Community City School District

Principal Taxpayers

Real Estate Tax

2012 and 2003 (1)

Name of Taxpayer	2012	
	Assessed Value	Percent of Real Property Assessed Value
MCS Land Development LLC	\$ 4,258,790	0.50%
Promotional Wholesalers	2,930,630	0.34%
Gayston Corp	2,231,750	0.26%
Sycamore Creek Country Club	1,966,570	0.23%
Falls Apartment Community	1,742,410	0.20%
Desig LLC	1,569,980	0.18%
Springboro Shopping Center	1,456,320	0.17%
MCM Electronics Inc	1,444,280	0.17%
Springboro Point Inc	1,408,340	0.16%
Preston & Preston Property	1,231,040	0.14%
Totals	<u>\$ 20,240,110</u>	<u>2.37%</u>
Total Assessed Valuation	<u>\$855,376,590</u>	

Name of Taxpayer	2003	
	Assessed Value	Percent of Real Property Assessed Value
Cypress Ridge LTD	\$ 2,643,060	0.51%
Promotional Wholesalers	2,492,590	0.48%
Gayston Corp	2,101,440	0.41%
Coffman Development	2,090,130	0.41%
Sycamore Creek Country Club	1,745,800	0.34%
Dress Company	1,470,160	0.29%
Martin Coffman Development	1,376,930	0.27%
Springboro Management	1,300,010	0.25%
Springboro Pointe Inc	1,180,390	0.23%
Crossman Communities	1,102,410	0.21%
Totals	<u>\$ 17,502,920</u>	<u>3.40%</u>
Total Assessed Valuation	<u>\$ 515,184,240</u>	

(1) The amounts presented represent the assessed values upon which 2012 and 2003 collections were based.

Source: Office of the County Auditor, Warren County, Ohio

Springboro Community City School District

Principal Taxpayers

Public Utilities Tax

2012 and 2003(1)

Name of Taxpayer	2012	
	Assessed Value	Percent of Public Utility Assessed Value
Rockies Express Pipeline LLC	\$35,035,650	55.39%
Texas Eastern trans LP	11,913,520	18.83%
Duke Energy Ohio	6,411,870	10.14%
Vectren Energy Delivery Oh	5,089,790	8.05%
ANR Pipeline Co	2,381,860	3.77%
Total	\$60,832,690	96.17%
Total Assessed Valuation	\$63,255,810	

Name of Taxpayer	2003	
	Assessed Value	Percent of Public Utility Assessed Value
Texas Eastern Transmission	\$10,262,440	38.41%
Cincinnati Gas & Electric	6,196,980	23.19%
Ohio Bell Telephone	3,332,950	12.47%
ANR Pipeline Co	2,607,610	9.76%
Dayton Power & Light	1,317,440	4.93%
Total	\$23,717,420	88.77%
Total Assessed Valuation	\$26,717,040	

(1) The amounts presented represent the assessed values upon which 2012 and 2003 collections were based.

Source: Office of the County Auditor, Warren County, Ohio

Springboro Community City School District
Ratio of Outstanding Debt By Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Total Primary Government	(2) Percentage of Personal Income	(2) Per Capita
	(1) General Obligation Bonds	(1) Long Term Notes/Loans Payable	(1) Capital Leases			
2003	\$28,066,998	\$2,548,000	\$885,462	\$31,500,460	4.13%	\$1,302
2004	88,968,152	1,585,000	2,281,678	92,834,830	11.48%	3,639
2005	91,600,565	1,463,000	3,124,686	96,188,251	10.96%	3,588
2006	89,858,278	1,341,000	4,106,853	95,306,131	9.73%	3,386
2007	87,559,774	1,219,000	3,770,729	92,549,503	8.62%	3,191
2008	84,494,897	1,097,000	15,254,489	100,846,386	8.97%	3,454
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	77,871,943	731,000	14,683,422	93,286,365	8.13%	3,160
2012	74,577,143	609,000	14,156,557	89,342,700	9.91%	3,026

(1) See notes to the basic financial statements regarding the District's debt obligations and capital leases.

(2) See Schedule "Demographic and Economic Statistics, Last Ten Fiscal Years" for personal income and enrollment information.

Revised for updated personal income data.

N/A - The School District reported on the cash basis of accounting.

Springboro Community City School District
Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year	General Bonded Debt	Resources Available to Pay Principal	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2003	\$28,066,998	\$1,065,495	\$27,001,503	4.26%	\$1,116
2004	88,968,152	813,249	88,154,903	12.94%	3,455
2005	91,600,565	2,150,978	89,449,587	12.32%	3,337
2006	89,858,278	2,821,777	87,036,501	10.06%	3,093
2007	87,559,774	5,651,863	81,907,911	9.03%	2,824
2008	84,494,897	5,390,609	79,104,288	8.81%	2,710
2009	N/A	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A
2011	77,871,943	4,847,423	73,024,520	8.05%	2,473
2012	74,577,143	4,169,846	70,407,297	7.66%	2,385

N/A - The School District reported on the cash basis of accounting.

Springboro Community City School District

Ratio of Debt

to Estimated Actual Value and Debt per Capita

Last Ten Fiscal Years

Fiscal Year	Population (1)	Estimated Actual Value of Taxable Property(2)	General Obligation Debt				Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt per Capita
			General Obligation Debt Outstanding	Resources Available to Pay Principal	Net General Bonded Debt			
2003	24,201	\$1,592,940,084	\$28,066,998	\$1,065,495	\$27,001,503	1.70%	\$1,116	
2004	25,514	1,790,695,002	88,968,152	813,249	88,154,903	4.92%	3,455	
2005	26,807	1,920,857,182	91,600,565	2,150,978	89,449,587	4.66%	3,337	
2006	28,144	2,044,548,867	89,858,278	2,821,777	87,036,501	4.26%	3,093	
2007	29,001	2,456,669,504	87,559,774	5,651,863	81,907,911	3.33%	2,824	
2008	29,195	2,557,212,686	84,494,897	5,390,609	79,104,288	3.09%	2,710	
2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2011	29,525	2,489,921,839	77,871,943	4,847,423	73,024,520	2.93%	2,473	
2012	29,525	2,515,814,716	74,577,143	4,169,846	70,407,297	2.80%	2,385	

Sources: (1) U.S. Bureau of Census, Census of Population
 (2) Warren County Auditor
 N/A - The School District reported on the cash basis of accounting.

(continued)

General Debt					
General Obligation Debt Outstanding	Capital Leases	Long-Term Notes/Loans Payable	Total Debt	Ratio of General Debt to Estimated Actual Value	General Debt Per Capita
\$27,001,503	\$885,462	\$2,548,000	\$30,434,965	1.91%	\$1,258
88,154,903	2,281,678	1,585,000	92,021,581	5.14%	3,607
89,449,587	3,124,686	1,463,000	94,037,273	4.90%	1,609
87,036,501	4,106,853	1,341,000	92,484,354	4.52%	1,641
81,907,911	3,770,729	1,219,000	86,897,640	3.54%	1,620
79,104,288	15,254,489	1,097,000	95,455,777	3.73%	3,270
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
73,024,520	14,683,422	731,000	88,438,942	3.55%	2,995
70,407,297	14,156,557	609,000	85,172,854	3.39%	2,885

Springboro Community City School District
Computation of Legal Debt Margin
Last Ten Fiscal Years

	2003	2004	2005 (2)	2006 (2)	2007
Tax Valuation	\$564,557,490	\$634,078,200	\$681,050,960	\$726,089,671	\$865,122,703
Debt Limit - 9% of Taxable Valuation (1)	50,810,174	57,067,038	61,294,586	65,348,070	77,861,043
Amount of Debt Applicable to Debt Limit					
General Obligation Bonds	28,655,000	89,335,000	88,425,000	85,801,376	81,320,000
Less Amount Available in Debt Service	(1,065,495)	(813,249)	(2,150,978)	(2,821,777)	(5,651,863)
Amount of Debt Subject to Limit	27,589,505	88,521,751	86,274,022	82,979,599	75,668,137
Legal Debt Margin	\$23,220,669	(\$31,454,713)	(\$24,979,436)	(\$17,631,529)	\$2,192,906
Legal Debt Margin as a Percentage of the Debt Limit	45.70%	-55.12%	-40.75%	-26.98%	2.82%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	564,557	634,078	681,051	726,090	865,123
Amount of Debt Subject to Limit	0	0	0	0	0
Unvoted Legal Debt Margin	\$564,557	\$634,078	\$681,051	\$726,090	\$865,123
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Warren County Auditor and School District Financial Records

- (1) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.
- (2) The Board of Education received approval to become a special needs district and issue bonds in an amount in excess of the nine percent debt limitation.
- (3) The District reported on the cash basis of accounting for 2009 and 2010. The fund balance for 2009 was calculated on the cash balance while the fund balance for 2010 was restated and is reported on a basis in accordance with accounting principles generally accepted in the United States of America.

Note: The amount of debt presented as subject to the limit should be the balances used to compute the margin as specified by statute, i.e. the gross balances, not amounts that are net of premiums or discounts. On deep discount or capital appreciation bonds, this would be the original issue amount.

Note: The definition of tax valuation for the purpose of calculating the debt margin was modified by H.B. 530, effective 3/30/06, to exclude tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, or personal property owned or leased by a railroad company and used in railroad operations.

(continued)

2008	2009	2010	2011	2012
<u>\$897,855,095</u>	<u>\$949,277,080</u>	<u>\$865,011,300</u>	<u>\$907,396,475</u>	<u>\$918,632,400</u>
<u>80,806,959</u>	<u>85,434,937</u>	<u>77,851,017</u>	<u>81,665,683</u>	<u>82,676,916</u>
<u>77,885,000</u> <u>(5,390,609)</u>	<u>74,785,000</u> <u>(4,786,973)</u>	<u>72,585,000</u> <u>(4,836,012)</u>	<u>71,190,000</u> <u>(4,847,423)</u>	<u>69,740,000</u> <u>(4,169,846)</u>
<u>72,494,391</u>	<u>69,998,027</u>	<u>67,748,988</u>	<u>66,342,577</u>	<u>65,570,154</u>
<u>\$8,312,568</u>	<u>\$15,436,910</u>	<u>\$10,102,029</u>	<u>\$15,323,106</u>	<u>\$17,106,762</u>
10.29%	18.07%	12.98%	18.76%	20.69%
897,855	949,277	865,011	907,396	918,632
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$897,855</u>	<u>\$949,277</u>	<u>\$865,011</u>	<u>\$907,396</u>	<u>\$918,632</u>
100.00%	100.00%	100.00%	100.00%	100.00%

Springboro Community City School District

Computation of Direct and Overlapping

Debt Attributable to Governmental Activities

June 30, 2012

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Overlapping Debt:			
Warren County	\$11,319,970	15.69%	\$1,776,103
City of Springboro	15,328,902	100.00%	15,328,902
Montgomery County	34,105,441	0.19%	64,800
Turtle Creek Township	2,937,372	0.66%	19,387
Clearcreek Township	<u>505,925</u>	57.10%	<u>288,883</u>
Total Overlapping Debt	\$64,197,610		\$17,478,075
Direct Debt	<u>74,577,143</u>	100.00%	<u>74,577,143</u>
Total Direct and Overlapping Debt	<u>\$138,774,753</u>		<u>\$92,055,218</u>

Source: Information from each of political subdivisions reported above for debt balances.

(1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government.

Springboro Community City School District
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2003	24,201	762,864	31,522	5.00%
2004	25,514	808,768	31,699	4.50%
2005	26,807	877,795	32,745	4.70%
2006	28,144	979,411	34,800	4.90%
2007	29,001	1,074,197	37,040	4.60%
2008	29,195	1,124,270	38,509	5.50%
2009	29,195	1,155,188	39,568	8.60%
2010	29,525	1,147,548	38,867	8.70%
2011	29,525	1,147,548	38,867	7.60%
2012	29,525	901,428	30,531	5.80%

- Sources:**
- 1) Bureau of Census
 - 2) Calculated by population times per capita personal income
 - 3) Warren County Per Capita Personal Income
 - 4) Ohio Department of Job and Family Services

Springboro Community City School District
Principal Employers
Current Year and Nine Years Ago

Employer	Nature of Business	2012			2003		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment (1)
Springboro Schools	Education	885	1	7.92%	662	1	5.48%
Gayston Corp.	Industry	466	2	4.17%	338	2	2.80%
Sourcelink Ohio, LLC	Industry	372	3	3.33%	(1)	N/A	
DLM Springboro, LLC	Grocery Store	305	4	2.73%	281	5	2.33%
Hillspring Rehabilitation Center	Nursing Home	272	5	2.43%	267	7	2.21%
Pioneer Automotive Tech, Inc.	Industry	271	6	2.43%	321	3	2.66%
Dayton Metro YMCA	YMCA Center	242	7	2.17%	239	8	1.98%
Kroger Limited Partnership	Grocery Store	213	8	1.91%	(1)	N/A	
Victory Wholesale Grocers	Industry	162	9	1.45%	(1)	N/A	
High Concrete Group	Industry	138	10	1.23%	(1)	N/A	
Miami Valley Dinner Theatre	Dinner Theatre	(2)	(2)	(2)	316	4	2.62%
Kmart Corp.	Retail	(2)	(2)	(2)	270	6	2.24%
Bob Evans Farms, Inc.	Restaurant	(2)	(2)	(2)	206	9	1.71%
Continental Transport, Inc	Industry	(2)	(2)	(2)	194	10	1.61%
Total		<u>3,326</u>			<u>3,094</u>		
Total Employment within the City of Springboro		<u>11,175</u>			<u>12,080</u>		

Source: City of Springboro 2011 Comprehensive Annual Financial Report
(1) Not on List from Nine Years Ago

Springboro Community City School District
School District Employees by Function/Program
Last Eight Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012
Regular Instruction								
Elementary Classroom Teachers (K-5)	95.00	95.00	116.00	118.50	118.90	117.00	116.30	116.60
Middle School Classroom Teachers (6-8)	51.00	49.00	55.00	55.00	56.93	58.22	59.42	59.98
High School Classroom Teachers (9-12)	58.00	59.00	66.00	69.00	68.10	66.73	66.40	64.35
Special Instruction								
Elementary Classroom Teachers (K-5)	14.00	14.00	17.00	26.00	19.00	20.00	20.50	19.00
Middle School Classroom Teachers (6-8)	8.00	8.00	9.00	10.00	11.00	13.00	13.00	14.00
Gifted Education Teachers	2.00	2.00	4.00	4.00	4.00	4.00	4.00	3.00
High School Classroom Teachers (9-12)	8.00	8.00	9.00	9.00	8.43	9.00	9.00	9.00
Pupil Support Services								
Guidance Counselors	8.00	8.00	8.00	10.00	10.00	10.00	11.00	10.60
Librarians	2.00	2.00	2.00	8.00	8.62	8.37	7.87	5.76
Psychologists	0.00	44.00	4.00	5.00	4.68	4.68	5.68	3.68
Speech and Language Pathologists	3.00	6.00	5.00	5.00	5.00	5.00	4.45	5.00
Nurses	4.00	3.00	3.00	7.00	7.00	7.50	6.50	6.00
Teacher Aides	26.00	31.00	37.00	45.00	42.00	44.00	46.50	54.02
Technology	3.00	3.00	4.00	3.00	4.00	3.00	3.00	3.00
Secretaries	14.00	14.00	16.00	17.00	18.00	14.50	14.50	20.50
Administrators								
District	10.00	11.00	14.00	16.00	12.00	12.00	10.91	7.60
Elementary	2.00	2.00	7.00	6.00	6.00	5.00	5.00	5.00
Middle School	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00
High School	3.00	3.00	3.00	3.00	3.00	5.00	6.00	4.00
Secretaries	13.00	13.00	15.00	8.00	5.00	4.00	4.00	20.00
Fiscal Services	5.00	5.00	6.00	6.00	7.00	6.00	7.00	5.00
Operation of Plant								
Custodians	21.00	23.00	32.00	33.50	32.00	27.00	21.55	24.00
Maintenance	6.00	5.00	6.00	7.00	4.00	4.00	4.00	5.00
Pupil Transportation								
Bus Drivers	53.00	51.00	66.00	52.75	44.90	44.07	46.13	44.00
Extracurricular Activities								
Secretaries	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Food Service Program								
Elementary Cooks	10.00	11.00	16.00	7.12	8.23	8.25	8.92	7.15
Middle School Cooks	10.00	10.00	8.00	5.04	5.07	6.11	4.78	5.91
High School Cooks	11.00	9.00	13.00	9.38	6.60	7.74	7.74	10.50
Totals:	<u>443.00</u>	<u>492.00</u>	<u>544.00</u>	<u>549.29</u>	<u>523.46</u>	<u>518.17</u>	<u>518.15</u>	<u>536.65</u>

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee. The count is performed on September 1 of each year. These amounts will not directly tie to employee information in the transmittal letter and the notes to the basic financial statements due to the use of FTE's above.

Information prior to 2005 is not available.

Springboro Community City School District
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Expenses	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio
2003	\$31,410,677	4,051	\$7,754	N/A	221	18.3
2004	33,436,527	4,321	7,738	-0.20%	226	19.1
2005	39,527,243	4,522	8,741	12.96%	233	19.4
2006	37,535,813	4,785	7,844	-10.26%	232	20.6
2007 *	53,759,624	5,056	10,633	35.55%	305	16.6
2008	53,460,417	5,228	10,226	-3.83%	292	17.9
2009	N/A	5,551	N/A	N/A	286	19.4
2010	N/A	5,688	N/A	N/A	288	19.8
2011	55,766,756	5,755	9,690	N/A	289	19.9
2012	51,591,062	5,789	8,912	-8.03%	302	19.2

Source: School District Records. Expense information is not available prior to 2003.

N/A - Not available as the School District reported on a cash basis for fiscal years 2009 and 2010.

* - This increase in expenses from 2006 to 2007 is due primarily to the addition of over 80 new staff members coupled with the cost to open and supply two new elementary buildings.



Springboro Community City School District

Building Statistics

Last Eight Fiscal Years

	2005	2006	2007
FE Elementary School (1)			
Total Building Square Footage			126,795
Enrollment (Grades 1-5)			401
Regular Instruction Classrooms			25
Regular Instruction Teachers			25
Special Instruction Classrooms			2
Special Instruction Teachers			2
FW Elementary (1)			
Total Building Square Footage			126,795
Enrollment (Grades 1-5)			325
Regular Instruction Classrooms			14
Regular Instruction Teachers			14
Special Instruction Classrooms			2
Special Instruction Teachers			2
SI Elementary			
Total Building Square Footage	79,163	79,163	79,163
Enrollment (Grade 6)	711	747	403
Regular Instruction Classrooms	35	35	19
Regular Instruction Teachers	35	35	19
Special Instruction Classrooms	7	6	3
Special Instruction Teachers	7	6	3
JH Middle School			
Total Building Square Footage	103,948	103,948	133,948
Enrollment	1,039	1,077	746
Regular Instruction Classrooms	59	49	36
Regular Instruction Teachers	59	49	36
Special Instruction Classrooms	8	8	6
Special Instruction Teachers	8	8	6
JW Elementary School (2)			
Total Building Square Footage	52,583	52,582	52,582
Enrollment	747	769	450
Regular Instruction Classrooms	27	33	17
Regular Instruction Teachers	27	33	17
Special Instruction Classrooms	3	5	1
Special Instruction Teachers	3	5	1

2008	2009	2010	2011	2012
126,795	126,795	126,795	126,795	126,795
430	446	615	606	586
23	22	29	28	29
23	22	29	28	29
4	4	4	4	7
4	4	4	4	7
126,795	126,795	126,795	126,795	126,795
387	415	550	610	590
21	20	27	29	26
21	20	27	29	26
4	4	4	4	7
4	4	4	4	7
79,163	79,163	79,163	79,163	79,163
392	446	437	427	505
20	18	18	19	21
20	18	18	19	21
4	4	4	4	4
4	4	4	4	4
133,948	133,948	133,948	133,948	133,948
780	796	857	887	874
36	41	43	44	46
36	41	43	44	46
6	6	6	6	10
6	6	6	6	10
52,582	52,582			
466	567			
16	15			
16	15			
4	4			
4	4			

(continued)

Springboro Community City School District

Building Statistics

Last Eight Fiscal Years

	2005	2006	2007
CC Elementary School			
Total Building Square Footage	58,003	58,003	58,003
Enrollment (Grade K)	732	769	450
Regular Instruction Classrooms	33	33	17
Regular Instruction Teachers	33	33	17
Special Instruction Classrooms	4	5	1
Special Instruction Teachers	4	5	1
DE Elementary School (1)			
Total Building Square Footage			126,795
Enrollment (Grades 1-5)			366
Regular Instruction Classrooms			23
Regular Instruction Teachers			23
Special Instruction Classrooms			3
Special Instruction Teachers			3
DW Elementary School (1)			
Total Building Square Footage			126,795
Enrollment (Grades 1-5)			460
Regular Instruction Classrooms			20
Regular Instruction Teachers			20
Special Instruction Classrooms			5
Special Instruction Teachers			5
Springboro Community High School			
Total Building Square Footage	217,523	217,523	284,523
Enrollment (Grades 9-12)	1,293	940	1,404
Regular Instruction Classrooms	58	59	66
Regular Instruction Teachers	58	59	66
Special Instruction Classrooms	8	8	9
Special Instruction Teachers	8	8	9

Source: School District Capital Asset and Enrollment Records.

The enrollment records may not directly correspond with the School District ADM.

(1) School Building not in service prior to fiscal year 2007.

(2) School Building not in service after fiscal year 2009.

2008	2009	2010	2011	2012
58,003	58,003	58,003	58,003	58,003
442	453	526	476	472
16	16	10	8	9
16	16	10	8	9
2	2	2	2	1
2	2	2	2	1
126,795	126,795	126,795	126,795	126,795
399	440	579	600	584
21	27	27	20	28
21	27	27	20	28
6	6	6	6	8
6	6	6	6	8
126,795	126,795	126,795	126,795	126,795
479	499	600	586	586
25	23	29	27	29
25	23	29	27	29
6	6	6	6	6
6	6	6	6	6
284,523	284,523	284,523	284,523	284,523
1,453	1,489	1,524	1,563	1,610
69	65	68	66	67
69	65	68	66	67
9	9	9	9	9
9	9	9	9	9





Dave Yost • Auditor of State

SPRINGBORO COMMUNITY CITY SCHOOL DISTRICT

WARREN 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 Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 12, 2013**