

SPRINGFIELD LOCAL SCHOOL DISTRICT
AKRON/CANTON REGION, SUMMIT COUNTY
FINANCIAL FORECAST
JULY 1, 1999, THROUGH JUNE 30, 2000

**SPRINGFIELD LOCAL SCHOOL DISTRICT
SUMMIT COUNTY**

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Certification

Certification is hereby made that, based upon the requirement set forth in Section 3316.08, Revised Code, the Local Government Services Division of the Auditor of State's Office has examined the financial forecast of the General Fund of the Springfield Local School District, Summit County, Ohio, as requested by the Board of Education by resolution passed on November 23, 1999. This forecast is based on the assumption that the School District will continue to operate its instructional program in accordance with its adopted school calendar and pay all obligations. Additional significant assumptions are set forth in the forecast. However, some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, the actual results of operations during the forecast period will vary from the forecast, and the variations may be material. The forecast reflects an operating deficit for the year ending June 30, 2000, of \$1,800,000 which includes \$255,000 in cash reserves for restricted purchases. The cash reserves consist of a budget reserve of \$255,000.

Section 5705.29, Revised Code, allows the School District to appropriate monies from the amount set aside for budget reserve, if it meets certain conditions and after receiving approval from the Superintendent of Public Instruction. As of the date of this forecast, no such request has been made to the State Superintendent of Public Instruction.

Section 133.301, Revised Code, allows the School District to issue notes during the current fiscal year in anticipation of fiscal year 2001 property tax revenues provided that such amount, referred to as the spending reserve, is included in the current year tax budget and that the State Superintendent of Public Instruction has authorized such notes. Our calculation would indicate that the spending reserve could be established at \$771,000. The State Superintendent of Public Instruction has authorized such borrowing in the amount of \$872,000; however, the School District intends to request an advance from the State Solvency Assistance Fund, whereby, no interest expense will be incurred by the School District. No revenue from either the spending reserve or the State Solvency Assistance Fund has been included in this forecast.

The forecasted revenues include all property taxes scheduled for settlement during the forecast period less any amount advanced to the School District prior to July 2000. The forecast excludes the receipt of any advances against fiscal year 2001 scheduled property tax settlements. The potential advances have been excluded due to the School District's inability to appropriate this revenue until received and the uncertainty of the timing of any advances. The projected operating deficit could be reduced to the extent tax advances are received prior to June 30, 2000 and to the extent the Board appropriates such advances. Currently, it is the Board's intent not to appropriate any such advances for fiscal year 2000.



Christine L. Hanson, CPA
Chief of Local Government Services

January 24, 2000



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We have examined the accompanying forecasted Schedule of Revenues, Expenditures, and Changes in Fund Balance of the general fund of the Springfield Local School District for the fiscal year ending 2000. Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included such procedures as we considered necessary to evaluate both the assumptions used by the Board and the preparation and presentation of the forecast.

The accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balance of the general fund for the fiscal year ending June 30, 2000 present, to the best of management's knowledge and belief, the expected revenues, expenditures, and changes in fund balance of the general fund for the forecast period. The accompanying forecasted Schedule of Revenues, Expenditures, and Changes in Fund Balance of the general fund and this report were prepared for the purpose of determining whether the Springfield Local School District qualifies for fiscal watch or fiscal emergency under Section 3316.03, Ohio Revised Code, which may enable the School District to obtain authorization to receive an advance through the Solvency Assistance Fund to finance current year operations, pursuant to Section 3316.20, Revised Code, and should not be used for any other purpose.

In our opinion, the forecasted schedule referred to above is presented in conformity with the guidelines for presentation of forecasted information established by the American Institute of Certified Public Accountants (AICPA), and the underlying assumptions provide a reasonable basis for the Board's forecast. Our examination of the financial forecast presented in this document was made for the purpose of forming an opinion on whether the financial forecast is presented in conformity with AICPA guidelines for the presentation of a forecast and whether the underlying assumptions provide a reasonable basis for the forecast. The supplemental data as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial forecast. Such information has not been subjected to procedures applied in the examination of the financial forecast and, accordingly, we express no opinion or any other form of assurance on it. Furthermore, differences between the forecasted and actual results will usually happen because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after its date.

Board of Education
Springfield Local School District
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The financial statements for the year ended June 30, 1997, June 30, 1998 and June 30, 1999 were audited by Rea and Associates and they expressed an unqualified opinion on them in their reports dated September 19, 1997, October 20, 1998 and December 15, 1999, respectively.

We have compiled the accompanying Schedules of Revenues, Expenditures, and Changes in Fund Balance of the general fund for the Springfield Local School District for the years ended June 30, 1997, 1998, 1999, and 2000 in accordance with the Statements and Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed these financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

JIM PETRO
Auditor of State

January 24, 2000

SPRINGFIELD LOCAL SCHOOL DISTRICT
SUMMIT COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDING JUNE 30, 2000
GENERAL FUND

	<u>Fiscal Year</u> <u>2000 Forecasted</u>
Revenues	
General Property Tax	\$7,065,000
Tangible Personal Property Tax	3,167,000
Unrestricted Grants-in-Aid	7,672,000
Restricted Grants-in-Aid	185,000
Property Tax Allocation	938,000
All Other Revenues	<u>513,000</u>
<i>Total Revenues</i>	19,540,000
Other Financing Sources	
Advances In	<u>101,000</u>
<i>Total Revenues and Other Financing Sources</i>	<u>19,641,000</u>
Expenditures	
Personal Services	11,563,000
Employees' Retirement/Insurance Benefits	4,951,000
Purchased Services	2,488,000
Supplies and Materials	665,000
Capital Outlay	68,000
Debt Service:	
Principal-Notes	1,321,000
Interest and Fiscal Charges	66,000
Other Objects	<u>454,000</u>
<i>Total Expenditures</i>	<u>21,576,000</u>
Other Financing Uses	
Operating Transfers Out	35,000
Advances Out	<u>45,000</u>
<i>Total Other Financing Uses</i>	<u>80,000</u>
<i>Total Expenditures and Other Financing Uses</i>	<u>21,656,000</u>
<i>Excess of Revenues and Other Financing</i> <i>Sources under Expenditures and</i> <i>Other Financing Uses</i>	(2,015,000)
<i>Cash Balance July 1</i>	<u>704,000</u>
<i>Cash (Deficit) Balance June 30</i>	<u>(1,311,000)</u>
<i>Estimated Encumbrances June 30</i>	<u>234,000</u>
Reservation of Fund Balance Budget Reserve	<u>(255,000)</u>
<i>Unreserved Fund (Deficit) Balance June 30</i>	<u>(\$1,800,000)</u>

See accompanying summary of significant forecast assumptions and accounting policies

Note: Schedule includes general fund, DPIA fund, textbook fund and any portion of debt service fund related to general fund debt

SPRINGFIELD LOCAL SCHOOL DISTRICT
SUMMIT COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 1997, 1998 AND 1999 ACTUAL;
FISCAL YEAR ENDING JUNE 30, 2000 FORECASTED
GENERAL FUND

	Fiscal Year 1997 Actual	Fiscal Year 1998 Actual	Fiscal Year 1999 Actual	Fiscal Year 2000 Forecasted
Revenues				
General Property Tax	\$6,900,000	\$7,124,000	\$7,053,000	\$7,065,000
Tangible Personal Property Tax	2,979,000	3,048,000	3,199,000	3,167,000
Unrestricted Grants-in-Aid	6,271,000	7,379,000	8,061,000	7,672,000
Restricted Grants-in-Aid	249,000	280,000	250,000	185,000
Property Tax Allocation	910,000	937,000	915,000	938,000
All Other Revenues	739,000	728,000	789,000	513,000
<i>Total Revenues</i>	<u>18,048,000</u>	<u>19,496,000</u>	<u>20,267,000</u>	<u>19,540,000</u>
Other Financing Sources				
Proceeds from Sale of Notes	3,684,000	2,843,000	1,206,000	0
Operating Transfers In	37,000	2,000	170,000	0
Advances In	64,000	40,000	16,000	101,000
<i>Total Other Financing Sources</i>	<u>3,785,000</u>	<u>2,885,000</u>	<u>1,392,000</u>	<u>101,000</u>
<i>Total Revenues and Other Financing Sources</i>	<u>21,833,000</u>	<u>22,381,000</u>	<u>21,659,000</u>	<u>19,641,000</u>
Expenditures				
Personal Services	10,601,000	11,373,000	12,018,000	11,563,000
Employees' Retirement/Insurance Benefits	3,487,000	3,880,000	4,402,000	4,951,000
Purchased Services	2,721,000	2,830,000	2,655,000	2,488,000
Supplies and Materials	598,000	618,000	498,000	665,000
Capital Outlay	56,000	123,000	39,000	68,000
Debt Service:				
Principal-Notes	3,694,000	2,994,000	1,494,000	1,321,000
Interest and Fiscal Charges	175,000	131,000	74,000	66,000
Other Objects	290,000	287,000	391,000	454,000
<i>Total Expenditures</i>	<u>21,622,000</u>	<u>22,236,000</u>	<u>21,571,000</u>	<u>21,576,000</u>
Other Financing Uses				
Operating Transfers Out	39,000	51,000	181,000	35,000
Advances Out	40,000	16,000	102,000	45,000
<i>Total Other Financing Uses</i>	<u>79,000</u>	<u>67,000</u>	<u>283,000</u>	<u>80,000</u>
<i>Total Expenditures and Other Financing Uses</i>	<u>21,701,000</u>	<u>22,303,000</u>	<u>21,854,000</u>	<u>21,656,000</u>
<i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	132,000	78,000	(195,000)	(2,015,000)
<i>Cash Balance July 1</i>	<u>689,000</u>	<u>821,000</u>	<u>899,000</u>	<u>704,000</u>
<i>Cash (Deficit) Balance June 30</i>	<u>821,000</u>	<u>899,000</u>	<u>704,000</u>	<u>(1,311,000)</u>
<i>Estimated Encumbrances June 30</i>	<u>452,000</u>	<u>82,000</u>	<u>165,000</u>	<u>234,000</u>
Reservation of Fund Balance				
Textbooks and Instructional Materials	0	45,000	3,000	0
Budget Reserve	0	108,000	255,000	255,000
DPIA	0	46,000	1,000	0
<i>Subtotal</i>	<u>0</u>	<u>199,000</u>	<u>259,000</u>	<u>255,000</u>
<i>Unreserved Fund (Deficit) Balance June 30</i>	<u>\$369,000</u>	<u>\$618,000</u>	<u>\$280,000</u>	<u>(\$1,800,000)</u>

See accompanying summary of significant forecast assumptions and accounting policies

Note: Schedule includes general fund, DPIA fund, textbook fund and any portion of debt service fund related to general fund debt

**SPRINGFIELD LOCAL SCHOOL DISTRICT
SUMMIT COUNTY**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2000**

Nature of Presentation

This financial forecast presents, to the best of the Springfield Local School District Board of Education's knowledge and belief, the expected revenues, expenditures and changes in fund balance of the general fund for the forecast period. Accordingly, the forecast reflects the Board of Education's judgment of the expected conditions and their expected course of action as of January 24, 2000, the date of this forecast. The forecast is designed to present the revenues, expenditures, and changes in fund balance for the purpose of determining whether the Springfield Local School District qualifies for fiscal watch or fiscal emergency under Section 3316.03, Ohio Revised Code, which may enable the School District to obtain authorization to receive an advance from the State Solvency Assistance Fund to finance current year operations of the general fund, pursuant to Section 3316.20, Ohio Revised Code, and should not be used for any other purpose. The assumptions disclosed herein are those that management believes are significant to the forecast. Differences between the forecasted and actual results will usually arise because events and circumstances frequently do not occur as expected, and those differences may be material.

1. General Assumptions

The Springfield Local School District will continue to operate its instructional program in accordance with its adopted school calendar and pay all obligations.

The funds used for the forecast include the general fund, DPIA fund, textbook fund and any portion of debt service fund related to general fund debt.

The forecast contains those expenditures the Board has determined to be necessary to provide for an adequate educational program.

2. Revenue and Other Financing Source Assumptions

The fiscal year 2000 revenue and other financing source assumptions are based on the following:

Property Taxes

Property taxes consist of real estate, public utility real and personal property, tangible personal property, and trailer taxes. Advances may be requested from the Summit County Auditor and Portage County Auditor as the tax is collected. When settlements are made, any amounts remaining to be distributed to the School District are paid. Deductions for auditor and treasurer's fees, advertising delinquent taxes, election expenses, and other fees are made at these settlement times.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
SUMMIT COUNTY**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2000**

The forecasted figures for fiscal year 2000 were based on the most recent information provided by the Summit County Auditor and the Portage County Auditor. The amounts shown in the revenue section of the forecast statements represent gross property tax revenue.

General Property Tax (Real Estate)

The general property tax revenue amounts are based upon confirmation received from the Summit County Auditor and Portage County Auditor as of December 13, 1999. Included in this revenue source are real estate and trailer tax revenues. Amounts forecasted for the rollback and homestead exemption are included under the property tax allocation account.

Based upon these estimates, the School District anticipates receiving \$7,065,000 in real estate tax revenue, an increase of \$12,000 from the prior fiscal year.

Tangible Personal Property Tax

This revenue source consists of tangible personal property tax revenue. The first \$10,000 of tangible personal property is exempt from taxation. The State reimburses the School District for all revenue lost due to this exemption. The amount of this exemption is included in the forecasted tangible personal property tax revenue.

As with real estate taxes, tangible personal property tax revenues for this forecast are based upon confirmation received from the Summit County Auditor and Portage County Auditor as of December 13, 1999. Based upon these estimates, the School District expects to receive \$3,167,000 in tangible personal property tax, including the tangible personal property tax exemption revenue, a decrease of \$32,000 from the prior fiscal year. The decrease is attributed to lower levels of inventories held by businesses in the area.

Unrestricted Grants-in-Aid

State foundation payments established by Chapter 3317 of the Revised Code are calculated by the State Department of Education, Division of School Finance, on the basis of pupil enrollment (ADM) and classroom teacher ratios plus other factors. The funds are distributed on a semi-monthly basis. Deductions from the semi-monthly payments for contributions to the two school retirement systems are included in the expenditure section. Forecasted amounts are based on current information provided by the State Department of Education.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
SUMMIT COUNTY**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2000**

This revenue source includes formula aid, special education aid, training and experience of classroom teachers funding, unrestricted disadvantaged pupil impact aid, extended service, gifted aid, transportation, vocational education, and equalization enhancement revenues received from the State Department of Education, Division of School Finance. The amount of revenue reported on the most recent school foundation statement of settlement is \$7,672,000, which represents a decrease from the prior year.

Restricted Grants-in-Aid

Restricted grants-in-aid consists of an anticipated bus purchase allowance of \$69,000 and a DPIA subsidy of \$116,000.

Property Tax Allocation

State law grants tax relief in the form of a ten percent reduction in real property tax bills. In addition, a two and one half percent rollback is granted on residential property taxes. Tax relief is also granted to qualified elderly and disabled homeowners based on their income. The State reimburses the School District for the loss of real property taxes as a result of the above (rollback and homestead).

The Summit County Auditor and Portage County Auditor certified the amounts for homestead and rollback at \$938,000, an increase of \$23,000 over the prior fiscal year.

All Other Revenues

The following schedule represents all other revenues not classified elsewhere:

Earnings on Investments	\$170,000
Tuition and Fees	71,000
Miscellaneous	191,000
Federal Reimbursement	80,000
Refund of Prior Year Expenditures	1,000
Total	<u><u>\$513,000</u></u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
SUMMIT COUNTY**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2000**

The forecasted revenue was based on the following:

1. Investment earnings are expected to decrease due to the school district having less money available to invest.
2. Tuition is expected to end except for summer school tuition which is expected to increase slightly. Fees are being charged to the students for all activities and are expected to increase.
3. The miscellaneous revenues of \$191,000 consist of donations, rental of school property, auxiliary services, lost book fines, miscellaneous grants and various other reimbursements.

Other Financing Sources

Proceeds from Sale of Notes

During the prior fiscal year, the School District issued \$1,206,000 in spending reserve notes. The note was repaid December 31, 1999. The School District does not anticipate issuing notes during the forecast period.

Advances In

Advances in represent amounts advanced to several other funds in the prior fiscal year and are being repaid to the general fund in the forecasted year. Advances in are expected to be \$101,000 in fiscal year 2000.

3. Expenditure and Other Financing Use Assumptions

The fiscal year 2000 anticipated expenditures and other financing uses are based on the following:

Personal Services

The personal service expenditures of \$11,563,000 forecasted for fiscal year 2000 are comprised as follows:

**SPRINGFIELD LOCAL SCHOOL DISTRICT
SUMMIT COUNTY**

SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2000

Certified Salaries	\$8,975,000
Classified Salaries	1,705,000
Supplemental Contracts	221,000
Substitute Salaries	390,000
Severance Pay	198,000
Board Members/Student Workers Compensation	16,000
Overtime Pay	58,000
Total	<u><u>\$11,563,000</u></u>

The School District is anticipating a \$455,000 decrease in the cost of personal services over fiscal year 1999 levels. The major reasons for this decrease are outlined below:

- A decrease in certified and classified salaries due to 34 employees retiring, positions being eliminated and the School District only giving step increases.
- An increase in severance pay costs due to the School District offering early retirement incentive and having to pay \$199,000 in the current fiscal year.

Employees' Retirement/Insurance Benefits

Employee retirement and insurance benefits are forecasted at \$4,951,000 for fiscal year 2000. The forecasted amount includes:

Retirement	\$1,837,000
Early Retirement Incentive	1,405,000
Insurances	1,565,000
Medicare	100,000
Unemployment/Board Paid Annuity	12,000
Workers' Compensation	32,000
Total	<u><u>\$4,951,000</u></u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
SUMMIT COUNTY**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2000**

The School District anticipates an increase of \$549,000 in the cost of benefits for fiscal year 2000. This increase is a combination of the following:

- Retirement costs are decreasing due to a large number of retirements, positions being filled at a lower rate of pay, and positions being eliminated.
- Worker's Compensation premiums decreased due to the School District receiving a rebate in fiscal year 1999 which will not occur in the current fiscal year.
- Insurance costs are increasing due to the School District switching insurance companies and the new company requiring a minimum balance of \$630,000 be maintained in the self-insurance fund.
- Early retirement incentives increased due to the School District making two payments in the current fiscal year.

Purchased Services

Purchased service expenditures forecasted in the amount of \$2,488,000 are comprised of:

Professional and Technical Services	\$300,000
Property Services	140,000
Travel and Meeting Expenses	20,000
Communication and Utility Costs	645,000
Printing	20,000
Tuition	127,000
Pupil Transportation and Other Services	1,236,000
Total	<u>\$2,488,000</u>

The School District is anticipating a \$167,000 decrease in purchased services for fiscal year 2000. This decrease is primarily due to the School District limiting bus transportation to only those students living two miles from the school.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
SUMMIT COUNTY**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2000**

Supplies and Materials

The School District anticipates spending \$665,000 for supplies and materials in fiscal year 2000. The expenditures are as follows:

Textbooks, Library Books and Periodicals	\$242,000
Supplies and Materials for Operation, Maintenance, and Repair	<u>423,000</u>
Total	<u><u>\$665,000</u></u>

There is a forecasted \$167,000 increase in expenditures for supplies and materials from fiscal year 1999 levels. The increase is primarily due to replenishing supplies and purchasing textbooks and library books which were not purchased in the prior fiscal year.

Capital Outlay

Capital outlay expenditures are forecasted for fiscal year 2000 in the amount of \$68,000, which represents \$25,000 for new capital outlay and \$43,000 of replacement capital outlay. The majority of the planned expenditures are for the purchase of equipment for the High School.

Debt Service

During fiscal year 2000, the School District will pay \$1,321,000 in principal and \$66,000 in interest on spending reserve loans.

Other Objects

This account includes dues, fees, liability insurance, county auditor fees, assessments, and county board costs. Total other objects expenditures are forecasted at \$454,000.

Other Financing Uses

This account includes transfers out of \$35,000 and advances out of \$45,000. Total financing uses is forecasted at \$80,000.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
SUMMIT COUNTY**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2000**

4. Spending Reserve

Section 133.301, Revised Code, allows the School District to issue notes during the current fiscal year in anticipation of fiscal year 2001 property tax revenues provided that such amount, referred to as the spending reserve, is included in the current year tax budget and the State Superintendent of Public Instruction has authorized such notes. The School District did include a spending reserve in the current year tax budget; however, it is the School District's intent not to borrow against the spending reserve. Instead, the School District intends to request an advance from the State Solvency Assistance Fund, whereby, no interest expense will be incurred by the School District.

5. Encumbrances

Encumbrances for the fiscal year ended June 30, 1999 were \$165,000 and are forecasted at \$234,000 at June 30, 2000. The State Teacher's Retirement System advance was paid in June 1999 and therefore is not included in the current year encumbrances.

6. Reservation of Fund Balance

Textbooks and Instructional Materials

The required three percent contribution for fiscal year 2000 for the textbooks and instructional materials set aside amounted to \$450,000. This amount will be offset completely by qualifying expenditures for textbooks, instructional materials, instructional supplies, instructional software, and instructional equipment, leaving no reserve balance requirement at June 30, 2000.

Capital Improvements

The required three percent contribution for fiscal year 2000 for the capital improvements and maintenance set aside amounted to \$450,000. This amount will be partially offset by qualifying expenditures for general maintenance, equipment, and building repairs. The School District has a permanent improvement levy under 5705.21, Ohio Revised Code, which generates approximately \$198,000 annually, as well as House Bill 264 expenditures of \$956,000, which will also serve to offset this set aside. Therefore, no reserve balance requirement is included at June 30, 2000.

Budget Reserve

A contribution for budget stabilization is required if the School District's revenue base for the prior year grew by at least three percent, unless the District is in fiscal watch or fiscal emergency. The School District qualifies for fiscal watch and is not required to set aside a contribution in fiscal year 2000. However, the School District received a refund from the Bureau of Workers' Compensation in fiscal year 1998. This refund is required under Section 39 of House Bill 770 to be part of the five percent set aside reserve balance. Therefore, the refund of \$108,000 received from the Bureau of Workers' Compensation has been reserved for budget stabilization, along with a budget stabilization contribution of \$147,000 for fiscal year 1999, leaving a balance of \$255,000 in the budget reserve.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
SUMMIT COUNTY**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2000**

7. Levies

The School District plans to place a 5.23 mill emergency levy on the March 2000 ballot. If passed the levy will generate \$1,600,000 in annual revenues.

8. Pending Litigation

There are currently no outstanding issues that would be deemed or interpreted as legally threatening at the time of this forecast.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
SUMMIT COUNTY**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FISCAL YEAR ENDING JUNE 30, 2000**

A. Basis of Accounting

This financial forecast has been prepared on a basis of cash receipts and disbursements which is consistent with the required budget basis (non-GAAP) of accounting which is the same as that used to prepare the historical budgetary statements for the years ended June 30, 1997, 1998, and 1999. Under this system, certain revenue and related assets are recognized when received rather than when earned, and certain expenditures are recognized when paid rather than when the obligation is incurred. However, by virtue of Ohio law, the School District is required to maintain the encumbrance method of accounting and to make appropriations for budgetary funds. The appropriations are made by the Board of Education to their classification of accounts and are restricted for such purpose until expended or amended by the Board.

B. Investments

Investment procedures are restricted by the provisions of the Ohio Revised Code. The School District pools cash from all funds for investment purposes. Purchased investments are valued at cost and are neither charged when purchased nor credited at the time of redemption to their respective fund balances. Interest earned is recognized and recorded when received.

C. Fund Accounting

The School District maintains its accounting in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Funds

General Fund

The General Fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the School District for any purpose provided it is disbursed or transferred in accordance with Ohio law.

Special Revenue Funds

To account for the proceeds of specific revenue sources (other than expendable trusts or those for major capital projects) that are legally restricted to disbursements for specified purposes.

Capital Project Funds

To account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

**SPRINGFIELD LOCAL SCHOOL DISTRICT
SUMMIT COUNTY**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FISCAL YEAR ENDING JUNE 30, 2000**

Debt Service Funds

To account for the accumulation of resources for, and the payment of, general long-term and short-term debt principal and interest. According to governmental accounting principles, the Debt Service Fund accounts for the payment of debt for governmental funds only. Under Ohio law, the debt service fund may be used to account for the payment of debt for both governmental and proprietary funds.

Proprietary Funds

Enterprise Funds

To account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds

To account for the financing of goods or services provided by one department or agency to other departments or agencies of the School District, or to other governmental units, on a cost-reimbursement basis.

Fiduciary Funds

Trust and Agency Funds

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. These include (a) Expendable Trust Funds, (b) Non-expendable Trust Funds, (c) Pension Funds, and (d) Agency Funds.

D. Budgetary Process

Budget

A budget of estimated cash receipts and disbursements is submitted to the Summit County Auditor, as secretary of the County Budget Commission, by January 20 of each year, for the succeeding fiscal year.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
SUMMIT COUNTY**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FISCAL YEAR ENDING JUNE 30, 2000**

Estimated Resources

The County Budget Commission certifies its actions to the School District by March 1. As part of this certification, the School District receives the Official Certificate of Estimated Resources which states the projected receipts of each fund. On or about July 1, this certificate is amended to include any unencumbered balances from the preceding year. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the annual appropriation measure.

Appropriations

A temporary appropriation measure to control cash disbursements may be passed on or about July 1 of each year. The temporary appropriation measure remains in place until the annual appropriation measure is adopted for the entire year. The appropriation measure may be amended or supplemented during the year as new information becomes available.

Encumbrances

The School District uses the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve a portion of the applicable appropriation.

E. Property, Plant and Equipment

Fixed assets acquired or constructed for general governmental services are recorded as expenditures. Depreciation is not recorded for these fixed assets as the purpose of the financial statements for the general governmental services is to report the expenditure of resources, not costs.

**SPRINGFIELD LOCAL SCHOOL DISTRICT
SUMMIT COUNTY**

**SCHEDULE OF NOTE INDEBTEDNESS
January 24, 2000**

O.R.C. Authority	Amount	Note Held By	Due	Rate of Interest	Source of Repayment
3313.372	\$956,000	National City Bank	12/01/14	5.91	General Fund Resources
3313.372	\$347,000	First National Bank	04/15/02	5.50	General Fund Resources

**SPRINGFIELD LOCAL SCHOOL DISTRICT
SUMMIT COUNTY**

TEN -YEAR LEVY HISTORY

DATE	TYPE	AMOUNT	TERM	ELECTION RESULTS
11/89	Tax Levy	4.5 Mills	5 year	Passed
11/90	Tax Levy	6.3 Mills	5 year	Passed
11/90	Tax Levy	1.8 Mills	5 year	Failed
05/91	Tax Levy	3.2 Mills	4 year	Failed
05/91	Tax Levy	1.8 Mills	5 year	Passed
11/91	Tax Levy	5.0 Mills	2 year	Failed
02/92	Tax Levy	7.0 Mills	4 year	Passed
11/94	Tax Levy	3.6 Mills	5 year	Failed
05/95	Tax Levy	3.4 Mills	5 year	Passed
11/95	Tax Levy	5.5 Mills	5 year	Failed
11/95	Tax Levy	7.0 Mills	4 year	Passed
03/96	Permanent Improvement	1.8 Mills	5 year	Failed
11/96	Permanent Improvement	1.8 Mills	5 year	Passed
05/98	Bond Issue/Tax Levy	6.4 Mills	30 year/5 year	Failed
08/99	Tax Levy	3.7 Mills	5 year	Failed
11/99	Tax Levy	3.7 Mills	5 year	Failed



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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800-282-0370
Facsimile 614-466-4490

SPRINGFIELD LOCAL SCHOOL DISTRICT

SUMMIT 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
FEBRUARY 10, 2000**