

SPRINGFIELD LOCAL SCHOOL DISTRICT

LUCAS COUNTY

GENERAL PURPOSE FINANCIAL STATEMENTS

For The Year Ended June 30, 1999

LaVallee & Company

CERTIFIED PUBLIC ACCOUNTANTS

SPRINGFIELD LOCAL SCHOOL DISTRICT

LUCAS COUNTY

GENERAL PURPOSE FINANCIAL STATEMENTS

For The Year Ended June 30, 1999

SPRINGFIELD LOCAL SCHOOL DISTRICT

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SPRINGFIELD LOCAL SCHOOL DISTRICT

ELECTED OFFICIALS AND
ADMINISTRATIVE PERSONNEL

As of June 30, 1999

<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE/ CONTRACT PERIOD</u>
<u>Board of Education</u>		
Everett Harris	President	1/1/98 - 12/31/02
Kieran Menacher	Vice President	1/1/96 - 12/31/99
Michael Doyle	Member	1/1/98 - 12/31/02
Nancy Decker	Member	1/1/96 - 12/31/99
Kenneth Musch	Member	1/1/96 - 12/31/99
 <u>Legal Counsel</u>		
Spengler Nathanson Attorneys at Law 608 Madison Avenue Suite 1000 Toledo, OH 43604-1169		
 <u>Administrative Personnel</u>		
Dr. Cynthia Beekley	Superintendent	3/1/99 - 07/31/03
Robert W. Moellenberg	Treasurer	Organizational Meeting 1998 - Organizational Meeting 2002

SPRINGFIELD LOCAL SCHOOL DISTRICT

INDEX OF FUNDS

GOVERNMENTAL FUND TYPES:

General Fund Type:

General Fund

Special Revenue Fund Types:

Public School Support Fund

Athletic Fund

Auxiliary Services Fund

Disadvantaged Pupil Program Fund

Management Information System Fund

RTTC Grant

Venture Capital Grant

Professional Development Grant

Excellence in Education Program Fund

Public/Private Match Grant Fund

Disadvantaged Pupil Impacted Aid Fund

Conflict Management Grant

Title VI-B-Elementary Secondary Education Act

Chapter 1- Education Consolidation and Improvement Act Fund

Chapter 2- Education Consolidation and Improvement Act Fund

Intervention Goals 2000

Debt Service Fund Type:

Bond Retirement Fund

Capital Projects Fund Types:

School Net Plus

Building and Construction Fund

PROPRIETARY FUND TYPES:

Enterprise Fund Type:

Food Services Fund

Internal Service Fund Types:

Prescription Drug Fund

Library Pioneer Fund

Community Arts Fund

FIDUCIARY FUND TYPES:

Trust and Agency Fund Types:

Expendable Trust Fund:

Community Scholarship Trust Fund

Nonexpendable Trust Funds:

Whitman Trust Fund

Strawberry Festival Scholarship Trust Fund

Steven Rogers Memorial Trust Fund

Eric Shier Memorial Scholarship Fund

Agency Fund Types:

Student Managed Activity Funds

ACCOUNT GROUPS:

General Long-Term Debt Account Group

General Fixed Assets Account Group



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

Board of Education
Springfield Local School District
6900 Hall Street
Holland, Ohio 43528

We have reviewed the Independent Auditor's Report of the Springfield Local School District, Lucas County, prepared by LaVallee & Company, for the audit period July 1, 1998 through June 30, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Springfield Local School District is responsible for compliance with these laws and regulations.



JIM PETRO
Auditor of State

April 28, 2000

LaVallee & Company

Certified Public Accountants
The CPA. Never under estimate The Value. SM

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Alan L. LaVallee, CPA
Neil J. Reichenbach, CPA

January 31, 2000

Board of Education
Springfield Local School District
6900 Hall Street
Holland, Ohio 43528

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying general purpose financial statements of the Springfield Local School District, Holland, Ohio, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Springfield Local School District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Springfield Local School District, Holland, Ohio, as of June 30, 1999, and the results of its operations and cash flows of its proprietary fund types and non expendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 31, 2000 on our consideration of the Springfield Local School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of Springfield Local School District, Holland, Ohio, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

**Springfield Local School District
 Combined Balance Sheet
 All Fund Types and Account Groups
 June 30, 1999**

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
ASSETS AND OTHER DEBITS				
Equity in Pooled Cash and Cash Equivalents	\$289,643	\$405,462	\$1,611,981	\$ -
Receivables:				
Taxes	16,618,640	-	2,495,777	-
Accounts	78,045	486	-	-
Intergovernmental	-	-	-	-
Materials and Supplies Inventory	-	-	-	-
Prepaid Items	7,470	-	-	-
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalent	304,862	-	-	-
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	-	-	-	-
Amount Available in Debt Service Fund	-	-	-	-
Amount to be Provided for Retirement of General Long-Term Debt	-	-	-	-
Total Assets and Other Debits	\$17,298,660	\$405,948	\$4,107,758	\$ -
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts Payable	\$244,257	\$47,548	\$ -	\$ -
Accrued Salaries and Benefits	2,982,139	115,214	-	-
Intergovernmental Payable	288,410	12,363	-	-
Due to Students	-	-	-	-
Compensated Absences Payable	128,818	1,824	-	-
Deferred Revenue	15,981,490	-	2,394,175	-
Notes Payable	-	-	-	-
Capital Lease Payable	-	-	-	-
Total Liabilities	19,625,114	176,949	2,394,175	-
Fund Equity and Other Credits:				
Investment in General Fixed Assets	-	-	-	-
Retained Earnings	-	-	-	-
Fund Balance:				
Reserved for Encumbrances	290,344	61,476	-	-
Reserved for Prepays	7,470	-	-	-
Reserved for Property Taxes	637,150	-	101,602	-
Reserved for Budget Stabilization	304,862	-	-	-
Unreserved	(3,566,280)	167,523	1,611,981	-
Total Fund Equity and Other Credits	(2,326,454)	228,999	1,713,583	-
Total Liabilities, Fund Equity and Other Credits	\$17,298,660	\$405,948	\$4,107,758	-

The accompanying notes are an integral part of the financial statements.

<u>Proprietary Fund Types</u>		<u>Fiduciary</u>	<u>Account Groups</u>		<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
<u>Enterprise</u>	<u>Internal</u> <u>Service</u>	<u>Trust and</u> <u>Agency</u>	<u>General</u> <u>Fixed</u> <u>Assets</u>	<u>General</u> <u>Long-Term</u> <u>Obligations</u>	
\$4,985	\$2	\$145,369	\$ -	\$ -	\$2,457,442
-	-	-	-	-	19,114,417
29	-	120	-	-	78,680
47,597	-	-	-	-	47,597
17,911	-	-	-	-	17,911
-	-	-	-	-	7,470
-	-	-	-	-	304,862
154,252	-	-	31,978,309	-	32,132,561
-	-	-	-	1,713,583	1,713,583
-	-	-	-	15,913,586	15,913,586
\$224,774	\$2	\$145,489	\$31,978,309	\$17,627,169	71,788,109

\$1,473	\$ -	\$3,305	\$ -	\$ -	\$296,583
76,374	-	51	-	-	3,173,778
78,413	-	-	-	134,756	513,942
-	-	62,442	-	-	62,442
50,133	-	-	-	2,031,503	2,212,278
13,492	-	-	-	-	18,389,157
-	-	-	-	15,435,000	15,435,000
-	-	-	-	25,910	25,910
219,885		65,798	-	17,627,169	40,109,090

-	-	-	31,978,309	-	31,978,309
4,889	2	-	-	-	4,891
-	-	-	-	-	351,820
-	-	-	-	-	7,470
-	-	-	-	-	738,752
-	-	-	-	-	304,862
-	-	79,691	-	-	(1,707,085)
4,889	2	79,691	31,978,309	-	31,679,019
\$224,774	\$2	\$145,489	\$31,978,309	\$17,627,169	\$71,788,109

**Springfield Local School District
 Combined Statement of Revenues, Expenditures
 and Changes in Fund Balances
 All Governmental Fund Types and Similar Fiduciary Funds
 For the Fiscal Year Ended June 30, 1999**

	Governmental Fund Types	
	<u>General</u>	<u>Special Revenue</u>
Revenues:		
Taxes	\$ 15,301,148	\$ -
Tuition and Fees	124,034	18,140
Intergovernmental	7,129,855	1,822,111
Interest	260,771	4,288
Extracurricular Activities	-	253,842
Customer Services	15,260	-
Gifts and Donations	24,035	-
Rent	43,208	-
Miscellaneous	45,347	-
Total Revenues	22,943,658	2,098,381
Expenditures:		
Current:		
Instruction:		
Regular	11,388,299	327,062
Special	2,130,730	299,945
Vocational	332,160	-
Other	318,673	-
Support Services:		
Pupils	768,773	173,695
Instruction	542,830	6,781
Board of Education	70,404	-
Administration	2,893,807	53,279
Fiscal	517,116	-
Operation and Maintenance	2,853,924	-
Transportation	1,227,973	-
Central Services	52,197	17,369
Non-Instructional Services	4,095	819,327
Extracurricular Activities	429,940	277,337
Debt Service:		
Principal	205,214	-
Interest	18,126	-
Total Expenditures	23,754,261	1,974,795
Excess (Deficiency) of Revenues Over (Under) Expenditures	(810,603)	123,586
Other Financing Sources (Uses):		
Operating Transfers In	1,026,765	74,827
Proceeds from Sale of Fixed Assets	170	-
Operating Transfers Out	(1,139,014)	(63,062)
Total Other Financing Sources (Uses)	(112,079)	11,765
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(922,682)	135,351
Fund Balances (Deficits) at Beginning of Year	(1,403,772)	93,648
Fund Balances (Deficits) at End of Year	\$ (2,326,454)	\$ 228,999

The accompanying notes are an integral part of the financial statements.

<u>Governmental Fund Types</u>		<u>Fiduciary</u>	<u>Totals</u>
<u>Debt</u>	<u>Capital</u>	<u>Fund Type</u>	<u>(Memorandum</u>
<u>Service</u>	<u>Projects</u>	<u>Expendable</u>	<u>Only)</u>
		<u>Trust</u>	
\$ 2,329,405	\$ 343,335	\$ -	\$ 17,973,888
-	-	-	142,174
261,697	-	-	9,213,663
-	-	2,057	267,116
-	-	87	253,929
-	-	-	15,260
-	-	24,081	48,116
-	-	-	43,208
-	-	-	45,347
<u>2,591,102</u>	<u>343,335</u>	<u>26,225</u>	<u>28,002,701</u>
-	-	-	11,715,361
-	-	-	2,430,675
-	-	-	332,160
-	-	-	318,673
-	-	11,300	953,768
-	-	-	549,611
-	-	-	70,404
34,073	-	-	2,981,159
-	-	-	517,116
-	-	-	2,853,924
-	-	-	1,227,973
-	-	-	69,566
-	-	10,921	834,343
-	-	-	707,277
1,075,000	-	-	1,280,214
994,032	-	-	1,012,158
<u>2,103,105</u>		<u>22,221</u>	<u>27,854,382</u>
<u>487,997</u>	<u>343,335</u>	<u>4,004</u>	<u>148,319</u>
-	71,014	-	1,172,606
-	-	-	170
-	-	-	(1,202,076)
-	71,014	-	(29,300)
487,997	414,349	4,004	119,019
1,225,586	(414,349)	35,842	(463,045)
<u>\$ 1,713,583</u>		<u>\$ 39,846</u>	<u>\$ (344,026)</u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
 Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
 All Governmental Fund Types and Similar Fiduciary Funds
 For the Fiscal Year Ended June 30, 1999**

	Governmental Fund Types		
	<u>General Fund</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$15,281,000	\$15,323,628	\$42,628
Intergovernmental	7,489,570	7,129,855	(359,715)
Earnings on Investment	235,000	260,771	25,771
Extracurricular revenue	-	-	-
Tuition	104,500	94,318	(10,182)
Rent	50,000	40,120	(9,880)
Gifts and Donations	24,000	24,035	35
Customer Services	10,000	15,259	5,259
Miscellaneous	41,000	45,361	4,361
Total Revenues	23,235,070	22,933,347	(301,723)
Expenditures:			
Current:			
Instruction:			
Regular	11,601,717	11,588,289	13,428
Special	2,021,535	2,019,309	2,226
Vocational	340,382	338,651	1,731
Other	448,306	447,928	378
Support Services:			
Pupils	748,886	741,496	7,390
Instruction staff	549,872	539,706	10,166
Board of education	75,200	72,537	2,663
School administration	2,844,419	2,822,135	22,284
Fiscal	495,444	486,787	8,657
Operation and maintenance	2,934,315	2,925,848	8,467
Pupil transportation	1,252,256	1,239,824	12,432
Central	5,155	2,105	3,050
Community services	4,100	4,095	5
Extracurricular activities	437,589	423,197	14,392
Debt Service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	23,759,176	23,651,907	107,269
Excess (Deficiency) of Revenues Over (Under) Expenditures	(524,106)	(718,560)	(194,454)
Other Financing Sources (Uses):			
Operating transfers in	1,348,813	1,026,765	(322,048)
Proceeds from sale of long-term notes	450,000	-	(450,000)
Proceeds from sale of fixed assets	500	170	(330)
Refund of prior year expenditures	21,050	48,721	27,671
Operating transfers out	(1,390,117)	(1,139,014)	251,103
Refund of prior year receipts	-	-	-
Total Other Financing Sources (Uses)	430,246	(63,358)	(493,604)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(93,860)	(781,918)	(688,058)
Fund Balances (Deficit) at Beginning of Year	383,907	383,907	-
Unexpended Prior Year Encumbrances	612,798	612,798	-
Fund Balances (Deficit) at End of Year	\$902,845	\$214,787	(\$688,058)

The accompanying notes are an integral part of the financial statements.

Governmental Fund Types

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$2,245,000	\$2,325,907	\$80,907
1,890,467	1,823,504	(66,963)	256,000	261,698	5,698
7,700	4,288	(3,412)	-	-	-
362,500	253,367	(109,143)	-	-	-
20,000	18,140	(1,860)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,280,667</u>	<u>2,099,289</u>	<u>(181,378)</u>	<u>2,501,000</u>	<u>2,587,605</u>	<u>86,605</u>
449,323	392,987	56,336	-	-	-
393,271	268,484	124,787	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
223,475	174,936	48,539	-	-	-
43,523	35,892	7,631	-	-	-
-	-	-	-	-	-
48,344	54,081	(5,737)	34,075	34,073	2
-	-	-	-	-	-
-	-	-	-	-	-
16,840	16,833	7	-	-	-
926,903	828,980	97,923	-	-	-
413,493	295,437	118,056	-	-	-
-	-	-	1,075,000	1,075,000	-
-	-	-	995,000	994,033	967
<u>2,515,172</u>	<u>2,067,630</u>	<u>447,542</u>	<u>2,104,075</u>	<u>2,103,106</u>	<u>969</u>
<u>(234,505)</u>	<u>31,659</u>	<u>266,164</u>	<u>396,925</u>	<u>484,499</u>	<u>87,574</u>
50,554	74,827	24,273	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(63,063)	(63,063)	-	-	-
-	(1,393)	(1,393)	-	-	-
<u>50,554</u>	<u>10,371</u>	<u>(40,183)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(183,951)	42,030	225,981	396,925	484,499	87,574
39,178	39,178	-	1,127,482	1,127,482	-
224,616	224,616	-	-	-	-
<u>\$79,843</u>	<u>\$305,824</u>	<u>\$225,981</u>	<u>\$1,524,407</u>	<u>\$1,611,981</u>	<u>\$87,574</u>

**SPRINGFIELD LOCAL SCHOOL DISTRICT
 Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
 All Governmental Fund Types and Similar Fiduciary Funds
 For the Fiscal Year Ended June 30, 1999**

	Governmental Fund Types		
	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	343,335	343,335	-
Earnings on Investment	-	-	-
Extracurricular revenue	-	-	-
Tuition	-	-	-
Rent	-	-	-
Gifts and Donations	-	-	-
Customer Services	-	-	-
Miscellaneous	-	-	-
Total Revenues	343,335	343,335	-
Expenditures:			
Current:			
Instruction:			
Regular	-	-	-
Special	-	-	-
Vocational	-	-	-
Other	-	-	-
Support Services:			
Pupils	-	-	-
Instruction staff	-	-	-
Board of education	-	-	-
School administration	-	-	-
Fiscal	-	-	-
Operation and maintenance	-	-	-
Pupil transportation	-	-	-
Central	-	-	-
Community services	-	-	-
Extracurricular activities	-	-	-
Debt Service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	343,335	343,335	-
Other Financing Sources (Uses):			
Operating transfers in	71,014	71,014	-
Proceeds from sale of long-term notes	-	-	-
Proceeds from sale of fixed assets	-	-	-
Refund of prior year expenditures	-	-	-
Operating transfers out	-	-	-
Refund of prior year receipts	-	-	-
Total Other Financing Sources (Uses)	71,014	71,014	-
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	414,349	414,349	-
Fund Balances (Deficit) at Beginning of Year	(414,349)	(414,349)	-
Unexpended Prior Year Encumbrances	-	-	-
Fund Balances (Deficit) at End of Year	-	-	-

The accompanying notes are an integral part of the financial statements.

Fiduciary Fund Types			Totals		
Expendable Trust Funds			(Memorandum Only)		
<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ -	\$ -	\$ -	\$17,526,000	\$17,649,535	\$123,535
-	-	-	9,979,372	9,558,392	(420,980)
2,500	2,057	(443)	245,200	267,116	21,916
4,000	87	(3,913)	366,500	253,444	(113,056)
-	-	-	124,500	112,458	(12,042)
-	-	-	50,000	40,120	(9,880)
13,000	24,081	11,081	37,000	48,116	11,116
-	-	-	10,000	15,259	5,259
-	-	-	41,000	45,361	4,361
<u>19,500</u>	<u>26,225</u>	<u>6,725</u>	<u>28,379,572</u>	<u>27,989,801</u>	<u>(389,771)</u>
-	-	-	12,051,040	11,981,276	69,764
-	-	-	2,414,806	2,287,793	127,013
-	-	-	340,382	338,651	1,731
-	-	-	448,306	447,928	378
14,600	11,300	3,300	986,961	927,732	59,229
-	-	-	593,395	575,598	17,797
-	-	-	75,200	72,537	2,663
-	-	-	2,926,838	2,910,289	16,549
-	-	-	495,444	486,787	8,657
-	-	-	2,934,315	2,925,848	8,467
-	-	-	1,252,256	1,239,824	12,432
-	-	-	21,995	18,938	3,057
11,875	11,871	4	942,878	844,946	97,932
-	-	-	851,082	718,634	132,448
-	-	-	1,075,000	1,075,000	-
-	-	-	995,000	994,033	967
<u>26,475</u>	<u>23,171</u>	<u>3,304</u>	<u>28,404,898</u>	<u>27,845,814</u>	<u>559,084</u>
<u>(6,975)</u>	<u>3,054</u>	<u>10,029</u>	<u>(25,326)</u>	<u>143,987</u>	<u>169,313</u>
-	-	-	1,470,381	1,172,606	(297,775)
-	-	-	450,000	-	(450,000)
-	-	-	500	170	(330)
-	-	-	21,050	48,721	27,671
-	-	-	(1,390,117)	(1,202,077)	188,040
-	-	-	-	(1,393)	(1,393)
-	-	-	<u>551,814</u>	<u>18,027</u>	<u>(533,787)</u>
<u>(6,975)</u>	<u>3,054</u>	<u>10,029</u>	<u>526,488</u>	<u>162,014</u>	<u>(364,474)</u>
35,541	35,541	-	1,171,759	1,171,759	-
950	950	-	838,364	838,364	-
<u>\$29,516</u>	<u>\$39,545</u>	<u>\$10,029</u>	<u>\$2,536,611</u>	<u>\$2,172,137</u>	<u>(\$364,474)</u>

**Springfield Local Schools
 Combined Statement of Revenues,
 Expenses and Changes Fund Equity
 All Proprietary Fund Types and Similar Fiduciary Funds
 For the Fiscal Year Ended June 30, 1999**

	<u>Proprietary Fund Types</u>		<u>Fiduciary</u>	Totals (Memorandum Only)
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Fund Types</u> Non-Expendable Trust	
Operating Revenues:				
Sales	\$594,849	\$ -	\$ -	\$594,849
Other Revenue	12,240	1,139	-	13,379
Contributions and Donations	-	-	1,250	1,250
Total Operating Revenue	607,089	1,139	1,250	609,478
Operating Expenses:				
Salaries	287,929	-	2,250	290,179
Fringe Benefits	246,112	-	42	246,154
Purchased Services	19,449	-	-	19,449
Materials and Supplies	491,633	-	-	491,633
Capital Outlay	1,088	-	-	1,088
Other	870	2,800	5,600	9,270
Depreciation	18,578	-	-	18,578
Total Operating Expenses	1,065,659	2,800	7,892	1,076,351
Operating Income (Loss)	(458,570)	(1,661)	(6,642)	(466,873)
Non-Operating Revenues (Expenses):				
Operating Grants	312,744	-	-	312,744
Federal Donated Commodities	59,466	-	-	59,466
Interest	-	-	2,690	2,690
Total Non-Operating Revenues and (Expenses)	372,210	-	2,690	374,900
Net Income (Loss) Before Transfers	(86,360)	(1,661)	(3,952)	(91,973)
Operating Transfers	29,255	215		29,470
Net Income (Loss)	(57,105)	(1,446)	(3,952)	(62,503)
Retained Earnings/Fund Balance (Deficit) at Beginning of Year	61,994	1,448	43,797	107,239
Retained Earnings/Fund Balance (Deficit) at End of Year	\$4,889	\$2	\$39,845	\$44,736

The accompanying notes are an integral part of the financial statements.

**Springfield Local School District
 Combined Statement of Revenues, Expenses and Changes in
 Fund Equity - Budget (Non-GAAP Basis) and Actual
 All Proprietary Fund Types and Similar Fiduciary Funds
 For the Fiscal Year Ended June 30, 1999**

	Proprietary Fund Types					
	<u>Enterprise Funds</u>			<u>Internal Service Funds</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:						
Sales	\$582,700	\$594,849	\$12,149	\$ -	\$ -	\$ -
Intergovernmental	320,000	305,773	(14,227)	4,000	-	(4,000)
Interest	-	-	-	-	-	-
Miscellaneous	20,000	13,338	(6,662)	2,000	1,139	(861)
Total Revenues	922,700	913,960	(8,740)	6,000	1,139	(4,861)
Expenses:						
Salaries	352,600	362,099	(9,499)	-	-	-
Fringe Benefits	142,300	143,307	(1,007)	-	-	-
Purchased Services	32,729	19,449	13,280	-	-	-
Materials and Supplies	445,020	428,558	16,462	-	-	-
Other	1,200	870	330	7,228	4,001	3,227
Capital Outlay	-	1,088	(1,088)	-	-	-
Total Expenses	973,849	955,371	18,478	7,228	4,001	3,227
Excess of Revenues Over (under) Expenses	(51,149)	(41,411)	9,738	(1,228)	(2,862)	(1,634)
Other Financing Sources (Uses):						
Operating transfers in	35,000	29,255	(5,745)	-	215	215
Total Other Financing Sources (Uses):	35,000	29,255	(5,745)	-	215	-
Total Revenues and Other Financing Sources (Uses) Over/(Under) Expenses	(16,149)	(12,156)	3,993	(1,228)	(2,647)	(1,634)
Fund Equity (Deficit) at Beginning of Year	16,841	16,841	-	1,421	1,421	-
Prior Year Encumbrances Appropriated	300	300	-	1,228	1,228	-
Fund Equity (Deficit) at End of Year	\$992	\$4,985	\$3,993	\$1,421	\$2	(\$1,419)

The accompanying notes are an integral part of the financial statements.

Fiduciary Fund Types

Non-Expendable Trust Funds

Totals (Memorandum Only)

<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ -	\$ -	\$ -	\$582,700	\$594,849	\$12,149
-	-	-	324,000	305,773	(18,227)
2,920	2,690	(230)	2,920	2,690	(230)
750	1,250	500	22,750	15,727	(7,023)
<u>3,670</u>	<u>3,940</u>	<u>270</u>	<u>932,370</u>	<u>919,039</u>	<u>(13,331)</u>
4,500	3,250	1,250	357,100	365,349	(8,249)
-	-	-	142,300	143,307	(1,007)
-	-	-	32,729	19,449	13,280
250	-	250	445,270	428,558	16,712
5,600	5,600	-	14,028	10,471	3,557
-	-	-	-	1,088	(1,088)
<u>10,350</u>	<u>8,850</u>	<u>1,500</u>	<u>991,427</u>	<u>968,222</u>	<u>23,205</u>
<u>(6,680)</u>	<u>(4,910)</u>	<u>1,770</u>	<u>(59,057)</u>	<u>(49,183)</u>	<u>9,874</u>
-	-	-	-	-	-
-	-	-	35,000	29,470	(5,530)
-	-	-	35,000	29,470	(5,530)
(6,680)	(4,910)	1,770	(24,057)	(19,713)	4,344
41,305	41,305	-	59,567	59,567	-
2,500	2,500	-	4,028	4,028	-
<u>\$37,125</u>	<u>\$38,895</u>	<u>\$1,770</u>	<u>\$39,538</u>	<u>\$43,882</u>	<u>\$4,344</u>

SPRINGFIELD LOCAL SCHOOL DISTRICT
Combined Statement of Cash Flows
All Proprietary Fund Types and Similar Fiduciary Funds
For the Fiscal Year Ended June 30, 1999

	<u>Proprietary Fund Types</u>	<u>Internal Service</u>	<u>Fiduciary Fund Type Nonexpendable Trust</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>			
Increase (Decrease) in Cash and Cash Equivalents:				
Cash Flows from Operating Activities:				
Cash received from Customers	\$608,187	\$1,139	\$1,250	610,576
Cash payments to suppliers for goods and services	(449,965)	(4,001)	(7,850)	(461,816)
Cash payments to employees for services	(362,099)	-	-	(362,099)
Cash payments for employee benefits	(143,307)	-	-	(143,307)
Net Cash Provided by (Used for) Operating Activities	<u>(347,184)</u>	<u>(2,862)</u>	<u>(6,600)</u>	<u>(356,646)</u>
Cash Flows from Noncapital Financing Activities:				
Cash received from grants (State)	19,468	-	-	19,468
Cash received from grants (Federal)	286,306	-	-	286,306
Transfers in (out) from (to) other funds	29,255	215	-	29,470
Interest	-	-	2,690	2,690
Net Cash Provided by (Used for) Financing Activities	<u>335,029</u>	<u>215</u>	<u>2,690</u>	<u>337,934</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(12,155)	(2,647)	(3,910)	(18,712)
Cash and Cash Equivalents at Beginning of Year	17,140	2,649	43,805	63,594
Cash and Cash Equivalents at End of Year	<u>\$4,985</u>	<u>\$2</u>	<u>\$39,895</u>	<u>\$44,882</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$ (458,570)	\$ (1,661)	\$ (6,642)	\$ (466,873)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	18,578	-	-	18,578
Federal Donated Commodities	59,466	-	-	59,466
Changes in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	1,237	-	-	1,237
(Increase)/Decrease in Commodities Inventory	1,058	-	-	1,058
Increase/(Decrease) in Accrued Salaries and Benefits	13,994	-	42	14,036
Increase/(Decrease) in Compensated Absences Payable	15,634	-	-	15,634
Increase/(Decrease) in Accounts Payable	1,158	(1,201)	-	(43)
Increase/(Decrease) in Intergovernmental Payable	(1,130)	-	-	(1,130)
Increase/(Decrease) in Deferred Revenue	1,391	-	-	1,391
Total Adjustments	<u>111,386</u>	<u>(1,201)</u>	<u>42</u>	<u>110,227</u>
Net Cash Provided by Operating Activities	<u>(\$347,184)</u>	<u>(\$2,862)</u>	<u>(\$6,600)</u>	<u>(\$356,646)</u>

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Springfield Local 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 1881 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 25 square miles. It is located in Lucas County, and includes all of the Village of Holland and portions of the cities of Toledo and Maumee, and Monclova, Spencer, and Springfield Townships. The School District is the 118th largest in the State of Ohio (among 611 school districts) in terms of enrollment. It is staffed by 130 non-certificated employees and 258 certificated full-time teaching personnel who provide services to 3,763 students and other community members. The School District currently operates 7 instructional buildings, one administrative building, and one garage.

The reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Springfield Local 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 following activities are included within the reporting entity:

Parochial Schools - Within the School District boundaries, St. Joan of Arc Elementary, St. Johns High School are operated through the Toledo Catholic Diocese; Westside Montessori is operated as a private school. Current State legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the School District, as directed by the parochial schools. The activity of these State monies by the School District are reflected in a special revenue fund for financial reporting purposes.

The School District is associated with three organizations which are defined as jointly governed organizations and an insurance purchasing pool. These organizations include the Maumee Valley Computer Association, Penta County Joint Vocational School, and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 17 and 18 to the general purpose financial statements.

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Springfield Local School District have been prepared in conformity with generally accepted accounting principles (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 School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

A. Basis Of Presentation - Fund Accounting

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net available expendable resources.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary, and fiduciary.

Governmental Fund Types

Governmental funds are those through which most governmental functions of the School District are financed. The acquisition, use, and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds and trust funds) are accounted for through governmental funds. The following are the School District's governmental fund types:

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 expended or transferred according to the general laws of Ohio.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term obligation principal, interest, and related costs.

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis Of Presentation - Fund Accounting (Continued)

Governmental Fund Types (Continued)

Capital Projects Funds - The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds).

Proprietary Fund Types

Proprietary funds are used to account for the School District's ongoing activities which are similar to those found in the private sector. The following are the School District's proprietary fund types:

Enterprise Funds - Enterprise funds are used to account for School District activities that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been 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 - Internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis.

Fiduciary Fund Types

Fiduciary funds are 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. The School District's fiduciary funds include expendable trust, nonexpendable trust, and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary or trust funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term obligations of the School District except those accounted for in the proprietary or trust funds.

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds and nonexpendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary and nonexpendable trust fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental, expendable trust, and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after fiscal year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: interest, tuition, grants, and student fees.

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 1998, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 1999 operations, have been recorded as deferred revenue.

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. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus and Basis of Accounting (Continued)

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each function. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Advances in and Advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

Tax Budget

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Lucas County Budget Commission for rate determination.

Estimated Resources

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 1998.

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgetary Process (Continued)

Appropriations

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation, or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant.

The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

Encumbrances

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. Expenditures plus encumbrances may not legally exceed appropriations. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds.

Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Investments

To improve cash management, cash received by the Springfield Local District is pooled. Monies for all funds, including proprietary 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.

During fiscal year 1999, investments were limited to STAROhio, treasury notes, and non-negotiable certificates of deposit.

Except for investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at fair value which is based on quoted market prices. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

The Springfield Local School District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 1998. 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, 1999.

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 during fiscal year 1999 amounted to \$260,771.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with original maturities of one year or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than one year are reported as investments.

E. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. The School District as required by State Statute to have a budget stabilization reserve of \$304,862. A fund balance reserve has been established.

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

G. Inventory

Inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

H. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed 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 have any infrastructure.

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 capitalized. Improvements are capitalized. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the enterprise funds is computed using the straight-line method over an estimated useful life of five to twenty years.

I. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Intergovernmental Revenues (Continued)

The School District currently participates in several State and Federal programs, categorized as follows:

Entitlements

General Fund

State Foundation Program
State Property Tax Relief
School Bus Purchase Reimbursement

Non-Reimbursable Grants

Special Revenue Funds

Auxiliary Services-
Disadvantaged Pupils Program
Teacher Development
Education Management Information Systems
Disadvantaged Pupil Impact Aid
Education for Economic Security Act
Title VI-B
Title I
Title VI
Goals 2000 Intervention

Capital Projects Funds

School Net

Reimbursable Grants

General Fund

Driver Education

Proprietary Funds

National School Lunch Program
National School Breakfast Program
Government Donated Commodities

J. Interfund Assets/Liabilities

Short-term interfund loans are classified as "interfund receivables" and "interfund payables". Long-term interfund loans are classified as "advances to/from other funds" and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources since they are not a component of net current assets.

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable 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 includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment 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.

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences (Continued)

For governmental funds, the School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. The School District records a liability for accumulated unused sick leave for employees after 20 years of current service with the School District, or after 15 years of service and at least 45 years of age, or after 5 years of service and at least 50 years of age. The current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

L. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Bonds and capital leases are reported as a liability of the general long-term obligations account group until due.

Under Ohio law, a debt service fund must be created and used for the payment of tax and revenue anticipation notes. Generally accepted accounting principles requires the reporting of the liability in the funds that received the proceeds. To comply with GAAP reporting requirements, the School District's debt service fund has been split among the appropriate funds. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

M. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Balance Reserves

The School District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, long-term advances to other funds, and contributions to the nonexpendable trust fund that must be kept intact. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute.

O. Total Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned "Total - (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES

The District has implemented GASB No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans" for its deferred compensation plan through Ohio Public Employees Deferred Compensation. On September 1, 1998 Ohio Public Employees Deferred Compensation created a trust for the assets of the plan for which the District has no fiduciary responsibility. Therefore, the balance of the Ohio Public Employees Deferred Compensation Plan is no longer presented in the District's financial statements.

NOTE 4 - ACCOUNTABILITY

At June 30, 1999, the General Fund had a deficit fund balance of \$2,326,454 which was created by the application of generally accepted accounting principles.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (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 Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - All Governmental Fund Types and Similar Fiduciary Funds and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual - All Proprietary Fund Types and Similar Fiduciary Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (Continued)

The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund type (GAAP basis).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. The School District repays short-term note debt from the debt service fund (budget basis) as opposed to the fund that received the proceeds (GAAP basis). Debt service fund resources used to pay both principal and interest have been allocated accordingly.

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type.

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
GAAP basis-fund balance	\$(2,326,454)	\$228,999	\$1,713,583	\$ -	\$39,846
Adjustment for GAAP basis:					
Accrued revenues/prepaid expenses	(722,665)	(486)	(101,602)	-	-
Accrued expenditures/deferred revenue	3,643,624	176,949	-	-	51
Encumbrances outstanding (budget basis)	<u>(379,718)</u>	<u>(99,638)</u>	<u>-</u>	<u>-</u>	<u>(352)</u>
Budget basis-fund balance	<u>\$ 214,787</u>	<u>\$305,824</u>	<u>\$1,611,981</u>	<u>\$ -</u>	<u>\$39,545</u>

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (Continued)

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Non- Expendable Trust</u>
GAAP basis - retained earnings	\$4,889	\$ 2	\$39,846
Adjustment for GAAP basis:			
Accrued revenues/prepaid expenses	(219,789)	-	-
Accrued expenses/deferred revenue	206,393	-	-
Inventory held for resale	13,492	-	-
Prior year encumbrances appropriated	<u> -</u>	<u> -</u>	<u> (951)</u>
Budget basis - fund balance	<u>\$ 4,985</u>	<u>\$ 2</u>	<u>\$38,895</u>

NOTE 6 - CASH 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 that the Board of Education has identified as not required for use within the current two 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 deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts.

Protection of School District's deposits is provided by the Federal Deposit Insurance Corporation, 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.

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 6 - CASH AND INVESTMENTS (Continued)

Interim monies may be deposited or invested in the following securities:

1. United/States Treasury notes, bills bonds, or other obligations or security issued by the United States 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 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 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. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rated classifications by at least two nationally recognized rating agencies.

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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash on Hand - At fiscal year end, the School District had \$5,140 in undeposited cash on hand which is included on the balance sheet of the School District as part of "equity in pooled cash and cash equivalents".

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 6 - CASH AND INVESTMENTS (Continued)

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Deposits - At fiscal year end, the carrying amount of the School District's deposits was \$198,135 and the bank balance was \$923,175. Of the bank balance, \$230,117 was covered by federal depository insurance and \$693,058 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

Investments - The School District's investments are categorized below to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District's investments of \$2,559,029 are in an investment pool operated by the Ohio State Treasurer, are unclassified investments since they are not evidenced by securities that exist in physical or book entry form. The District has no other investments.

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement 9	\$2,762,304	\$ -
Cash on Hand	(5,140)	-
Investments:		
STAR Ohio	<u>(2,559,029)</u>	<u>2,559,029</u>
GASB Statement 3	<u>\$ 198,135</u>	<u>\$2,559,029</u>

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 7 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true 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.

Tangible personal property taxes paid 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.

The School District receives property taxes from Lucas 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, 1999, are available to finance fiscal year 1999 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 1999. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 1999, was \$637,150 in the General Fund and \$101,602 in the Bond Retirement Debt Service Fund.

The assessed values upon which fiscal year 1999 taxes were collected are:

	1998 Second-Half Collections		1999 First-Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$415,141,450	86%	\$436,418,990	86%
Public Utility	41,964,990	9	44,750,248	9
Tangible Personal Property	<u>26,463,600</u>	<u>5</u>	<u>26,214,520</u>	<u>5</u>
 Total Assessed Value	 <u>\$483,570,040</u>	 <u>100%</u>	 <u>\$507,383,758</u>	 <u>100%</u>
 Tax rate per \$1,000 of assessed valuation	 \$66.60		 \$66.40	

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 8 - RECEIVABLES

Receivables at June 30, 1999, consisted of property taxes, accounts (rent, billings for user charged services, and student fees), 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:

	<u>Amounts</u>
General Fund	
Taxes	\$16,618,640
Accounts	<u>78,045</u>
Total General Fund	<u>16,696,685</u>
Debt Service Fund	
Taxes	<u>2,495,777</u>
Enterprise Funds	
Accounts	29
Intergovernmental	<u>47,597</u>
Total Enterprise Funds	<u>47,626</u>
Trust and Agency Funds	
Accounts	<u>120</u>
Total Receivables	<u>\$19,240,208</u>

NOTE 9 - FIXED ASSETS

A summary of the Enterprise Funds' fixed assets at June 30, 1999, follows:

	<u>Balance June 30, 1999</u>
Furniture and Equipment	\$381,214
Less: Accumulated Depreciation	<u>226,962</u>
Net Fixed Assets	<u>\$154,252</u>

A summary of the changes in general fixed assets during fiscal year 1999 follows:

	<u>Balance at 6/30/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance at 6/30/99</u>
Land and Improvements	\$ 290,864	\$ -	\$ -	\$ -	\$ 290,864
Buildings and Improvements	25,121,528	-	-	10,220	25,131,748
Furniture and Equipment	3,873,085	284,073	-	-	4,157,158
Vehicles	<u>2,333,041</u>	<u>79,193</u>	<u>13,695</u>	<u>-</u>	<u>2,398,539</u>
Total	<u>\$31,618,518</u>	<u>\$363,266</u>	<u>\$13,695</u>	<u>\$10,220</u>	<u>\$31,978,309</u>

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 10 - RISK MANAGEMENT

The School District is exposed to various risks related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees and natural disasters. During fiscal year 1998, the School District's insurance coverage was as follows:

<u>Type of Coverage</u>	<u>Deductible</u>	<u>Liability Limit</u>
Building and Contents - replacement cost	\$1,000	\$17,333,100
Inland Marine Coverage	100	200,000
Crime Insurance	-	15,000
Automobile Liability	-	2,000,000
Uninsured Motorists	-	2,000,000
General Liability		
Per Occurrence	-	1,000,000
Per Year	-	5,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years.

For fiscal year 1999, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pay its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. State Teachers Retirement System

The School District participates in the State Teachers Retirement System (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 E. Broad Street, Columbus, Ohio 43215-3771.

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. State Teachers Retirement System (Continued)

Plan members are required to contribute 9.3 percent of their annual covered salary and the School District is required to contribute 14 percent; 10.5 percent was the portion to fund pension obligations. Prior to July 1, 1997, the portion used to fund pension obligations was 12 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's contributions for pension obligations to STRS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$1,987,681, \$1,404,254, and \$1,526,556, respectively.

B. 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 and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per 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 may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. For fiscal year 1998, 9.79 percent was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The School District's contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$207,644, \$309,386, and \$431,400, respectively.

C. 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. The Board's liability is 6.2 percent of wages paid.

NOTE 12 - POSTEMPLOYMENT BENEFITS

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligation to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. Through June 30, 1997, the Board allocated employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund. Beginning July 1, 1997, this allocation was increased to 3.5 percent.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$1,860 million at June 30, 1997. For the year ended June 30, 1997, net health care costs paid by STRS were \$192,077,000 and STRS had 88,718 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and disability, and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

For this fiscal year, employer contributions to fund health care benefits were 4.21 percent of covered payroll, an increase from 3.5 percent for fiscal year 1997. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1998, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 125 percent of annual health care expenses. Expenses for health care at June 30, 1997, were \$97,429,197 and the target level was \$121.8 million. At June 30, 1997 SERS had net assets available for payment of health care benefits of \$146.4 million. SERS has approximately 48,200 participants currently receiving health care benefits.

NOTE 13 - EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

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 240 days for classified personnel, 260 days for administrators, and 240 days for certified personnel. Upon retirement, payment is made for up to 30% of accrued, but unused sick leave credit to a maximum of 72 days for classified employees, 75 days for certified employees, and 81.25 days for administrators. Upon retirement, payment is made for up to 31.25% of accrued, but unused sick leave credit to a maximum of 81.25 days for administrative employees.

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 13 - EMPLOYEE BENEFITS (Continued)

B. Life Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees through CoreSource.

NOTE 14 - CAPITAL LEASES - LESSEE DISCLOSURE

The School District has entered into capitalized leases for equipment and buses. 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 expenditures in the combined financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

General fixed assets consisting of equipment and furniture and fixtures have been capitalized in the general fixed assets account group in the amount of \$426,295. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in fiscal year 1999 totaled \$209,047 in the governmental funds.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 1999.

<u>Fiscal Year Ending June 30.</u>	<u>Copiers</u>
2000	\$ 8,989
2001	8,989
2002	8,989
2003	<u>2,996</u>
TOTAL	\$29,963
Less: Amount Representing Interest	<u>4,053</u>
Present Value of Net Minimum Lease Payments	<u>\$25,910</u>

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 15 - LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 1998 were as follows:

	Balance at <u>6/30/98</u>	<u>Additions</u>	<u>Deductions</u>	Balance at <u>6/30/99</u>
School Improvement Bonds	\$ 5,590,000	\$ -	\$ 430,000	\$ 5,160,000
School Improvement Bonds	<u>10,920,000</u>	<u>-</u>	<u>645,000</u>	<u>10,275,000</u>
Long-Term Bonds	16,510,000	-	1,075,000	15,435,000
Capital Leases	234,957	-	209,047	25,910
Pension Obligation	129,502	5,254	-	134,756
Compensated Absences	<u>1,529,060</u>	<u>502,443</u>	<u>-</u>	<u>2,031,503</u>
Total Long-Term Obligations	<u>\$18,403,519</u>	<u>\$507,697</u>	<u>\$1,284,047</u>	<u>\$17,627,169</u>

General Obligation Bonds - In March 1987, the Springfield Local School District issued voted general obligation bonds for additions and improvements to the school buildings. The bonds were issued for a twenty-three year period with final maturity at December 2010. The bonds will be retired from the debt service fund.

General Obligation Bonds - In March 1992, the Springfield Local School District issued voted general obligation bonds for additions and improvements to the school buildings. The bonds were issued for a twenty-three year period with final maturity at December 2014. The bonds will be retired from the debt service fund.

Capital leases will be paid from the General Fund and School Net Fund. Compensated absences and the pension obligation will be paid from the fund from which the employee's salaries are paid.

Principal and interest requirements to retire general obligation debt, including notes outstanding at June 30, 1999, are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 1,075,000	\$ 912,869	\$ 1,987,869
2001	1,075,000	832,111	1,907,111
2002	1,075,000	760,059	1,835,059
2003	1,075,000	695,666	1,770,666
2004	1,075,000	630,305	1,705,305
2005-2006	2,150,000	1,062,112	3,212,112
2007-2011	5,350,000	1,502,017	6,852,017
2012-2015	<u>2,560,000</u>	<u>281,600</u>	<u>2,841,600</u>
Total	<u>\$15,435,000</u>	<u>\$6,676,739</u>	<u>\$22,111,739</u>

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 16 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The School District maintains one enterprise fund to account for the operations of food service. The table below reflects the more significant financial data relating to the enterprise fund of the Springfield Local School District as of and for the fiscal year ended June 30, 1999.

	<u>Food Service</u>
Operating Revenues	\$ 607,089
Operating Expenses before Depreciation	1,047,081
Depreciation Expense	18,578
Operating Income (Loss)	(458,570)
Donated Commodities	59,466
Grants	312,744
Operating Transfers-In	29,255
Net Income (Loss)	57,105
Net Working Capital	(149,363)
Total Assets	224,774
Total Liabilities	219,885
Total Equity	\$ 4,889

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

North West Ohio Computer Association

The School District is a participant with 40 other public education entities and 50 non-public education entities in a jointly governed organization to operate the North West Ohio Computer Association (NWOCA). NWOCA 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. Each of the governments of these districts supports NWOCA based upon a per pupil charge dependent upon the software package utilized. NWOCA is governed by a Board of Directors consisting of an appointed representative of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the board. In accordance with GASB Statement No. 14, the District does not have an equity interest in NWOCA as the residual interest in the net resources of the joint venture upon dissolution is not equivalent to an equity interest. Financial information can be obtained at 22-900 SR 34, Archbold, Ohio 43502.

Penta County Joint Vocational School District

The Penta County Joint Vocational School District is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the sixteen participating school districts' elected boards, which possesses its own budgeting and taxing authority. To obtain financial information write to the Penta County Joint Vocational School, Carrie Herringshaw, who serves as Treasurer, at 30095 Oregon Road, Perrysburg, Ohio 43551.

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE 18 - INSURANCE PURCHASING POOL

Ohio School Boards Association Workers' Compensation Group Rating Plan

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

NOTE 19 - CONTINGENCIES

A. Grants

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 is 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. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 1999.

B. Litigation

The School District is party to legal proceedings. The School District is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the School District.

NOTE 20 - STATE SCHOOL FUNDING DECISION

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to this District.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the Ohio General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. At this time, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 1999

NOTE 21 - YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the government's operation as early as fiscal year June 30, 1998.

Springfield Local School District has completed an inventory of computer systems and other equipment necessary to conducting District operations and has identified such systems as being financial reporting, payroll and employee benefits, and educational statistics reporting (through the State's Education Management and Information System, (EMIS)).

The District uses the State of Ohio Uniform School Accounting System software for its financial reporting, and the State of Ohio Uniform Staff Payroll System software for its payroll and employee benefits. The State is responsible for the remediation of these systems.

Lucas County collects taxes for the distribution to the Springfield Local School District. Lucas County is responsible for the remediation of the tax collection system.

The State of Ohio distributes a substantial sum of money to the District in the form of "Foundation" and federal and state grant payments. Further, the State processes a significant amount of financial and non-financial information about the District through EMIS. The State is responsible for the remediation of these systems.

Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that Springfield Local School District is or will be year 2000 ready, that Springfield Local School District's remediation is or will be year 2000 successful in whole or in part, or that parties with whom Springfield Local District does business will be 2000 ready.

NOTE 22 - STATUTORY RESERVES

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During fiscal year ended June 30, 1999, the reserve activity was as follows:

	<u>Textbook Reserve</u>	<u>Capital Maintenance Reserve</u>	<u>Budget Stabilization Reserve</u>	<u>Total</u>
Balance, 7/1/1998	\$ -	\$ -	\$127,902	\$ 127,902
Required Set-Aside	530,879	530,879	176,960	1,238,718
Offset Credits	-	-	-	-
Qualifying Expenditures	<u>(594,980)</u>	<u>(569,576)</u>	<u>-</u>	<u>(1,164,559)</u>
Balance, 6/30/1999	<u>\$ -</u>	<u>\$ -</u>	<u>\$304,862</u>	<u>\$ 304,862</u>

SPRINGFIELD LOCAL SCHOOL DISTRICT
LUCAS COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1999

Federal Grantor Pass-Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Federal Receipts	Non-cash Receipts	Federal Disbursements	Non-cash Disbursements
<u>UNITED STATES DEPARTMENT OF AGRICULTURE</u>						
Passed Through Ohio Department of Education						
<i>Nutrition Cluster</i>						
Food Distribution Program		10.550		\$59,466		\$58,074
School Breakfast Program	05-PU	10.553	\$28,193		\$28,193	
School Lunch Program	04-PU	10.555	258,113		258,113	
Total Department of Agriculture			<u>286,306</u>	<u>59,466</u>	<u>286,306</u>	<u>58,074</u>
<u>UNITED STATES DEPARTMENT OF JUSTICE</u>						
Passed Through Ohio Attorney General						
Juvenile Justice and Delinquency Prevention; Special Emphasis		16.541	<u>33,171</u>		<u>33,171</u>	
<u>UNITED STATES DEPARTMENT OF EDUCATION</u>						
Passed Through Ohio Department of Education						
Title I Grants to Local Educational Agencies	C1-S1	84.010	362,025		242,676	
Special Education - Grants to States	6B-SF	84.027	283,393		163,533	
Goals 2000	G2-S4	84.276	213,232		154,134	
Eisenhower Professional Development State Grants	MS-S1	84.281	13,001		1,372	
Innovative Education Program Strategy	C2-S1	84.298	22,915		21,896	
Technical Literacy Challenge Fund	TF-S2	84.318			<u>150,000</u>	
Total Department of Education			<u>894,566</u>		<u>733,611</u>	
Total Federal Financial Assistance			<u>\$1,214,043</u>	<u>\$59,466</u>	<u>\$1,053,088</u>	<u>\$58,074</u>

SPRINGFIELD LOCAL SCHOOL DISTRICT

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first.

LaVallee & Company

Certified Public Accountants

The CPA. Never under estimate The Value.™

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Alan L. LaVallee, CPA
Neil J. Reichenbach, CPA

January 31, 2000

Board of Education
Springfield Local Schools
Findlay, Ohio 45840

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

We have audited the general purpose financial statements of the Springfield Local School District as of and for the year ended June 30, 1999, and have issued our report thereon dated January 31, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have noted to the management of Springfield Local School District in a separate letter dated January 31, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect Springfield Local School District's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 99-1.

Board of Education
Springfield Local School District
Page 2

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

However, we believe the reportable condition described above is not a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to management of Springfield Local School District in a separate letter dated January 31, 2000.

This report is intended solely for the information and use of the audit committee, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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Alan L. LaVallee, CPA
Neil J. Reichenbach, CPA

January 31, 2000

Board of Education
Springfield Local School District
Holland, Ohio

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Compliance

We have audited the compliance of Springfield Local School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, Springfield Local School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

LaVallee & Company CPAs

SPRINGFIELD LOCAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 1999

1. SUMMARY OF AUDITORS' RESULTS

- | | |
|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a. Type of Financial Statement Opinion | Unqualified |
| b. Were there any material control weakness conditions reported at the financial statement level (GAGAS)? | No |
| c. Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)? | Yes |
| d. Was there any reported material non-compliance at the financial statement level (GAGAS)? | No |
| e. Were there any material internal control weakness conditions reported for major federal programs? | No |
| f. Were there any other reportable internal control weakness conditions reported for major federal programs? | No |
| g. Type of Major Programs' Compliance Opinion | Unqualified |
| h. Are there any reportable findings under .510? | No |
| i. Major Programs: | United States Department of Agriculture:
Nutrition Cluster

United States Department of Education: Title I
Grants to Local Education Agencies
CFDA # 84.010 |
| j. Dollar Threshold: Type A\B Programs | Type A: > \$300,000
Type B: all others |
| k. Low Risk Auditee? | Yes |

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

- 99-1 It was noted during testing of the personnel files of employees of Springfield Local School District that supporting documentation in the files did not support what the employee was being paid according to the salary schedule. The calculation error appeared to be an oversight.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE



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OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

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SPRINGFIELD LOCAL SCHOOL DISTRICT

LUCAS 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.

By Susan Babbitt

Date: MAY 9, 2000